
| | | | |
|-----------------------------|---|------------------------|--|
| State: | District of Columbia | Filing Company: | State National Insurance Company, Inc. |
| TOI/Sub-TOI: | 17.0 Other Liability-Occ/Claims Made/17.0024 Internet Liability | | |
| Product Name: | CFC - Cyber Private Enterprise Program | | |
| Project Name/Number: | CFC - Cyber Private Enterprise Program/CFC-DC-19001-FO | | |

Filing at a Glance

| | |
|---------------------------|--|
| Company: | State National Insurance Company, Inc. |
| Product Name: | CFC - Cyber Private Enterprise Program |
| State: | District of Columbia |
| TOI: | 17.0 Other Liability-Occ/Claims Made |
| Sub-TOI: | 17.0024 Internet Liability |
| Filing Type: | Form |
| Date Submitted: | 01/13/2020 |
| SERFF Tr Num: | STNA-132219456 |
| SERFF Status: | Submitted to State |
| State Tr Num: | |
| State Status: | |
| Co Tr Num: | CFC-DC-19001-FO |
| Effective Date | On Approval |
| Requested (New): | |
| Effective Date | |
| Requested (Renewal): | |
| Author(s): | Linda Rothwell, Sonja Rodebaugh, Sandra Baggio, Diane Zaborowski |
| Reviewer(s): | |
| Disposition Date: | |
| Disposition Status: | |
| Effective Date (New): | |
| Effective Date (Renewal): | |

| | | | |
|-----------------------------|---|------------------------|--|
| State: | District of Columbia | Filing Company: | State National Insurance Company, Inc. |
| TOI/Sub-TOI: | 17.0 Other Liability-Occ/Claims Made/17.0024 Internet Liability | | |
| Product Name: | CFC - Cyber Private Enterprise Program | | |
| Project Name/Number: | CFC - Cyber Private Enterprise Program/CFC-DC-19001-FO | | |

General Information

Project Name: CFC - Cyber Private Enterprise Program

Project Number: CFC-DC-19001-FO

Reference Organization:

Reference Title:

Filing Status Changed: 01/13/2020

State Status Changed:

Created By: Linda Rothwell

Corresponding Filing Tracking Number: CFC-DC-19001-R

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Submitted By: Linda Rothwell

Filing Description:

Attached for your review is a Filing Authorization Letter from State National Insurance Company, Inc. (hereinafter referred to as the company) authorizing Martin & Company to submit this filing on their behalf. Please direct all correspondence regarding this filing to Martin & Company.

The Company is pleased to introduce its exclusive CFC Cyber Private Enterprise program.

The purpose of the Cyber Private Enterprise program is to provide small and medium enterprises with primary first party and third-party cyber insurance coverage. This coverage will be provided under the following insuring clauses:

Cyber Incident Response

Cyber Crime

System Damage and Business Interruption

Network Security and Privacy Liability

Media Liability

Technology Errors and Omissions

This new program is intended to provide a range of insurance coverage for first party income and business interruption losses suffered as a result of a cyber event such as cyber crime, data breaches, and system failures. It will also provide coverage for defense costs and indemnity costs suffered as a result of a cyber event.

Included in these insuring clauses are specialized coverage sections that are specifically designed for small and medium companies. These include IT Security and Forensic Costs, Crisis Communication Costs, Post Breach Remediation Costs, Electronic Theft of Your Financial Assets, Electronic Theft of Third-Party Funds Held in Escrow, Extortion, Authorized Push Payment Fraud, System Damage and Rectification Costs, Income Loss and Extra Expense, and Dependent Business Interruption.

It is designed for a broad spectrum of small and medium companies, including those operating in the professional services, healthcare, financial services, education, and manufacturing industries.

The company is submitting their initial forms for this program. The data model and platform were developed specifically for this program.

A corresponding rate and rule filing will be submitted under separate cover.

The company requests that this filing become effective immediately upon approval by the Department.

| | | | |
|-----------------------------|---|------------------------|--|
| State: | District of Columbia | Filing Company: | State National Insurance Company, Inc. |
| TOI/Sub-TOI: | 17.0 Other Liability-Occ/Claims Made/17.0024 Internet Liability | | |
| Product Name: | CFC - Cyber Private Enterprise Program | | |
| Project Name/Number: | CFC - Cyber Private Enterprise Program/CFC-DC-19001-FO | | |

Please do not hesitate to contact us if you have any questions or additional information is needed.

Company and Contact

Filing Contact Information

| | |
|------------------------------------|-------------------------------|
| Linda Rothwell, Compliance Analyst | lrothwell@martincompanyus.com |
| P.O. Box 70 | 856-975-6135 [Phone] |
| Edgemont, PA 19028-0070 | |

Filing Company Information

| | | |
|--|--------------------------------|-----------------------------------|
| State National Insurance Company, Inc. | CoCode: 12831 | State of Domicile: Texas |
| 1900 L. Don Dodson Drive | Group Code: 785 | Company Type: Property & Casualty |
| Bedford, TX 76021 | Group Name: Markel Corporation | State ID Number: |
| (800) 877-4567 ext. [Phone] | FEIN Number: 75-1980552 | |

Filing Fees

| | |
|------------------|----|
| Fee Required? | No |
| Retaliatory? | No |
| Fee Explanation: | |

| | | | | | |
|-----------------------------|---|--------------------------|--|----------------------------|-----------------|
| SERFF Tracking #: | STNA-132219456 | State Tracking #: | | Company Tracking #: | CFC-DC-19001-FO |
| State: | District of Columbia | Filing Company: | State National Insurance Company, Inc. | | |
| TOI/Sub-TOI: | 17.0 Other Liability-Occ/Claims Made/17.0024 Internet Liability | | | | |
| Product Name: | CFC - Cyber Private Enterprise Program | | | | |
| Project Name/Number: | CFC - Cyber Private Enterprise Program/CFC-DC-19001-FO | | | | |

Correspondence Summary

Filing Notes

| Subject | Note Type | Created By | Created On | Date Submitted |
|------------------------|------------------|----------------|------------|----------------|
| Form Number Correction | Note To Reviewer | Linda Rothwell | 01/16/2020 | 01/16/2020 |

| | | | |
|-----------------------------|---|------------------------|--|
| State: | District of Columbia | Filing Company: | State National Insurance Company, Inc. |
| TOI/Sub-TOI: | 17.0 Other Liability-Occ/Claims Made/17.0024 Internet Liability | | |
| Product Name: | CFC - Cyber Private Enterprise Program | | |
| Project Name/Number: | CFC - Cyber Private Enterprise Program/CFC-DC-19001-FO | | |

Note To Reviewer

Created By:

Linda Rothwell on 01/16/2020 08:32 AM

Last Edited By:

Linda Rothwell

Submitted On:

01/16/2020 08:33 AM

Subject:

Form Number Correction

Comments:

We have found an error in the form number of item 20 on the Form Schedule tab. Form, Additional Insureds Condition Endorsement, incorrectly lists the form number as CFC-CY-0002 11 19. The correct form number should be CFC-GN-0002 11 19.

No other changes have been made.

Sincerely,

Linda Rothwell
Martin & Company
856-975-6135

SERFF Tracking #:

STNA-132219456

State Tracking #:

Company Tracking #:

CFC-DC-19001-FO

State: District of Columbia

Filing Company:

State National Insurance Company, Inc.

TOI/Sub-TOI: 17.0 Other Liability-Occ/Claims Made/17.0024 Internet Liability

Product Name: CFC - Cyber Private Enterprise Program

Project Name/Number: CFC - Cyber Private Enterprise Program/CFC-DC-19001-FO

Form Schedule

| Item No. | Schedule Item Status | Form Name | Form Number | Edition Date | Form Type | Form Action | Action Specific Data | Readability Score | Attachments |
|----------|----------------------|---|-------------|--------------|-----------|-------------|----------------------|-------------------|---|
| 1 | | Additional Extra Expense Extension Endorsement | CFC-CY-0001 | 11 19 | END | New | | | CFC-CY-0001 11 19 ADDITIONAL EXTRA EXPENSE EXTENSION ENDORSEMENT .pdf |
| 2 | | Betterment Exclusion Amendatory Endorsement | CFC-CY-0004 | 11 19 | END | New | | | CFC-CY-0004 11 19 BETTERMENT EXCLUSION AMENDATORY ENDORSEMENT .pdf |
| 3 | | Consequential Reputational Harm Extension Endorsement | CFC-CY-0009 | 11 19 | END | New | | | CFC-CY-0009 11 19 CONSEQUENTI AL REPUTATIONAL HARM EXTENSION ENDORSEMENT .pdf |
| 4 | | Contractual Consequential Reputational Harm Extension Endorsement | CFC-CY-0011 | 11 19 | END | New | | | CFC-CY-0011 11 19 CONTRACTUAL CONSEQUENTI AL REPUTATIONAL HARM EXTENSION ENDORSEMENT .pdf |

SERFF Tracking #:

STNA-132219456

State Tracking #:

Company Tracking #:

CFC-DC-19001-FO

State: District of Columbia

Filing Company:

State National Insurance Company, Inc.

TOI/Sub-TOI: 17.0 Other Liability-Occ/Claims Made/17.0024 Internet Liability

Product Name: CFC - Cyber Private Enterprise Program

Project Name/Number: CFC - Cyber Private Enterprise Program/CFC-DC-19001-FO

| Item No. | Schedule Item Status | Form Name | Form Number | Edition Date | Form Type | Form Action | Action Specific Data | Readability Score | Attachments |
|----------|----------------------|--|-------------|--------------|-----------|-------------|----------------------|-------------------|---|
| 5 | | Customer Consequential Reputational Harm Extension Endorsement | CFC-CY-0013 | 11 19 | END | New | | | CFC-CY-0013 11 19 CUSTOMER CONSEQUENTIAL REPUTATIONAL HARM EXTENSION ENDORSEMENT .pdf |
| 6 | | Customer Payment Fraud Extension Endorsement | CFC-CY-0014 | 11 19 | END | New | | | CFC-CY-0014 11 19 CUSTOMER PAYMENT FRAUD EXTENSION ENDORSEMENT .pdf |
| 7 | | Hardware Replacement Costs Extension Endorsement | CFC-CY-0017 | 11 19 | END | New | | | CFC-CY-0017 11 19 HARDWARE REPLACEMENT COSTS EXTENSION ENDORSEMENT .pdf |
| 8 | | Incident Response Outside Of The Policy Limit Endorsement | CFC-CY-0018 | 11 19 | END | New | | | CFC-CY-0018 11 19 INCIDENT RESPONSE OUTSIDE OF THE POLICY LIMIT ENDORSEMENT .pdf |
| 9 | | Law Firms Special Amendatory Endorsement | CFC-CY-0020 | 11 19 | END | New | | | CFC-CY-0020 11 19 LAW FIRMS SPECIAL AMENDATORY ENDORSEMENT .pdf |

SERFF Tracking #:

STNA-132219456

State Tracking #:

Company Tracking #:

CFC-DC-19001-FO

State: District of Columbia

Filing Company:

State National Insurance Company, Inc.

TOI/Sub-TOI: 17.0 Other Liability-Occ/Claims Made/17.0024 Internet Liability

Product Name: CFC - Cyber Private Enterprise Program

Project Name/Number: CFC - Cyber Private Enterprise Program/CFC-DC-19001-FO

| Item No. | Schedule Item Status | Form Name | Form Number | Edition Date | Form Type | Form Action | Action Specific Data | Readability Score | Attachments |
|----------|----------------------|--|-------------|--------------|-----------|-------------|----------------------|-------------------|---|
| 10 | | Listed Supply Chain Partners Amendatory Endorsement | CFC-CY-0021 | 11 19 | END | New | | | CFC-CY-0021 11 19 LISTED SUPPLY CHAIN PARTNERS AMENDATORY ENDORSEMENT .pdf |
| 11 | | Media Liability Amendatory Endorsement | CFC-CY-0022 | 11 19 | END | New | | | CFC-CY-0022 11 19 MEDIA LIABILITY AMENDATORY ENDORSEMENT .pdf |
| 12 | | System Damage And Rectification Costs Amendatory Endorsement | CFC-CY-0031 | 11 19 | END | New | | | CFC-CY-0031 11 19 SYSTEM DAMAGE AND RECTIFICATION COSTS AMENDATORY ENDORSEMENT .pdf |
| 13 | | System Failure Extension Endorsement | CFC-CY-0032 | 11 19 | END | New | | | CFC-CY-0032 11 19 SYSTEM FAILURE EXTENSION ENDORSEMENT .pdf |
| 14 | | Cyber, Private enterprise | CFC-CY-0037 | 11 19 | PCF | New | | | CFC-CY-0037 11 19 Cyber, Private Enterprise v1.0.pdf |
| 15 | | Merchant Services Liability Amendatory Endorsement | CFC-CY-0052 | 11 19 | END | New | | | CFC-CY-0052 11 19 MERCHANT SERVICES LIABILITY AMENDATORY ENDORSEMENT .pdf |

SERFF Tracking #:

STNA-132219456

State Tracking #:

Company Tracking #:

CFC-DC-19001-FO

State: District of Columbia

Filing Company:

State National Insurance Company, Inc.

TOI/Sub-TOI: 17.0 Other Liability-Occ/Claims Made/17.0024 Internet Liability

Product Name: CFC - Cyber Private Enterprise Program

Project Name/Number: CFC - Cyber Private Enterprise Program/CFC-DC-19001-FO

| Item No. | Schedule Item Status | Form Name | Form Number | Edition Date | Form Type | Form Action | Action Specific Data | Readability Score | Attachments |
|----------|----------------------|--|-------------|--------------|-----------|-------------|----------------------|-------------------|---|
| 16 | | Optional Extended Discovery Period Condition Endorsement | CFC-CY-0053 | 11 19 | END | New | | | CFC-CY-0053 11 19 OPTIONAL EXTENDED DISCOVERY PERIOD CONDITION ENDORSEMENT .pdf |
| 17 | | Optional Extended Discovery Period With System Failure Condition Endorsement | CFC-CY-0054 | 11 19 | END | New | | | CFC-CY-0054 11 19 OPTIONAL EXTENDED DISCOVERY PERIOD WITH SYSTEM FAILURE CONDITION ENDORSEMENT .pdf |
| 18 | | Extended Discovery Period Endorsement | CFC-CY-0055 | 11 19 | END | New | | | CFC-CY-0055 11 19 EXTENDED DISCOVERY PERIOD ENDORSEMENT .pdf |
| 19 | | Extended Discovery Period With System Failure Endorsement | CFC-CY-0056 | 11-19 | END | New | | | CFC-CY-0056 11 19 EXTENDED DISCOVERY PERIOD WITH SYSTEM FAILURE ENDORSEMENT .pdf |
| 20 | | Additional Insureds Condition Endorsement | CFC-CY-0002 | 11 19 | END | New | | | CFC-GN-0002 11 19 ADDITIONAL INSUREDS CONDITION ENDORSEMENT .pdf |

SERFF Tracking #:

STNA-132219456

State Tracking #:

Company Tracking #:

CFC-DC-19001-FO

State: District of Columbia**Filing Company:**

State National Insurance Company, Inc.

TOI/Sub-TOI: 17.0 Other Liability-Occ/Claims Made/17.0024 Internet Liability**Product Name:** CFC - Cyber Private Enterprise Program**Project Name/Number:** CFC - Cyber Private Enterprise Program/CFC-DC-19001-FO

| Item No. | Schedule Item Status | Form Name | Form Number | Edition Date | Form Type | Form Action | Action Specific Data | Readability Score | Attachments |
|----------|----------------------|---|-------------|--------------|-----------|-------------|----------------------|-------------------|--|
| 21 | | Address Change Endorsement | CFC-GN-0003 | 11 19 | END | New | | | CFC-GN-0003 11 19 ADDRESS CHANGE ENDORSEMENT .pdf |
| 22 | | Cancellation Endorsement | CFC-GN-0005 | 11 19 | END | New | | | CFC-GN-0005 11 19 CANCELLATION ENDORSEMENT .pdf |
| 23 | | Claim Definition Amendatory Endorsement | CFC-GN-0006 | 11 19 | END | New | | | CFC-GN-0006 11 19 CLAIM DEFINITION AMENDATORY ENDORSEMENT .pdf |
| 24 | | Company Definition Amendatory Endorsement | CFC-GN-0007 | 11 19 | END | New | | | CFC-GN-0007 11 19 COMPANY DEFINITION AMENDATORY ENDORSEMENT .pdf |
| 25 | | Company Has Been Acquired Endorsement | CFC-GN-0008 | 11 19 | END | New | | | CFC-GN-0008 11 19 COMPANY HAS BEEN ACQUIRED ENDORSEMENT .pdf |
| 26 | | Continuous Cover Condition Endorsement | CFC-GN-0010 | 11 19 | END | New | | | CFC-GN-0010 11 19 CONTINUOUS COVER CONDITION ENDORSEMENT .pdf |

SERFF Tracking #:

STNA-132219456

State Tracking #:

Company Tracking #:

CFC-DC-19001-FO

State: District of Columbia

Filing Company:

State National Insurance Company, Inc.

TOI/Sub-TOI: 17.0 Other Liability-Occ/Claims Made/17.0024 Internet Liability

Product Name: CFC - Cyber Private Enterprise Program

Project Name/Number: CFC - Cyber Private Enterprise Program/CFC-DC-19001-FO

| Item No. | Schedule Item Status | Form Name | Form Number | Edition Date | Form Type | Form Action | Action Specific Data | Readability Score | Attachments |
|----------|----------------------|---|-------------|--------------|-----------|-------------|----------------------|-------------------|--|
| 27 | | Criminal, Malicious Or Dishonest Acts Of Senior Executive Officers Exclusion Deletion Endorsement | CFC-CY-0012 | 11 19 | END | New | | | CFC-GN-0012 11 19 CRIMINAL, MALICIOUS OR DISHONEST ACTS OF SENIOR EXECUTIVE OFFICERS.pdf |
| 28 | | Educational Organization Special Amendatory Endorsement | CFC-GN-0015 | 11 19 | END | New | | | CFC-GN-0015 11 19 EDUCATIONAL ORGANIZATION SPECIAL AMENDATORY ENDORSEMENT .pdf |
| 29 | | Extended Reporting Period Endorsement | CFC-GN-0016 | 11 19 | END | New | | | CFC-GN-0016 11 19 EXTENDED REPORTING PERIOD ENDORSEMENT .pdf |
| 30 | | Innocent Non-Disclosure Condition Endorsement | CFC-GN-0019 | 11 19 | END | New | | | CFC-GN-0019 11 19 INNOCENT NON-DISCLOSURE CONDITION ENDORSEMENT .pdf |
| 31 | | Known Matters Exclusion Endorsement | CFC-GN-0020 | 11 19 | END | New | | | CFC-GN-0020 11 19 KNOWN MATTERS EXCLUSION ENDORSEMENT .pdf |
| 32 | | Name Change Endorsement | CFC-GN-0023 | 11 19 | END | New | | | CFC-GN-0023 11 19 NAME CHANGE ENDORSEMENT .pdf |

SERFF Tracking #:

STNA-132219456

State Tracking #:

Company Tracking #:

CFC-DC-19001-FO

State: District of Columbia

Filing Company:

State National Insurance Company, Inc.

TOI/Sub-TOI: 17.0 Other Liability-Occ/Claims Made/17.0024 Internet Liability

Product Name: CFC - Cyber Private Enterprise Program

Project Name/Number: CFC - Cyber Private Enterprise Program/CFC-DC-19001-FO

| Item No. | Schedule Item Status | Form Name | Form Number | Edition Date | Form Type | Form Action | Action Specific Data | Readability Score | Attachments |
|----------|----------------------|--|-------------|--------------|-----------|-------------|----------------------|-------------------|---|
| 33 | | Named Insured Endorsement | CFC-GN-0024 | 11 19 | END | New | | | CFC-GN-0024 11 19 NAMED INSURED ENDORSEMENT .pdf |
| 34 | | Newly Acquired Entity Endorsement | CFC-GN-0025 | 11 19 | END | New | | | CFC-GN-0025 11 19 NEWLY ACQUIRED ENTITY ENDORSEMENT .pdf |
| 35 | | Other Insurance Exclusion Deletion Endorsement | CFC-GN-0026 | 11 19 | END | New | | | CFC-GN-0026 11 19 OTHER INSURANCE EXCLUSION DELETION ENDORSEMENT .pdf |
| 36 | | Pollution Exclusion Deletion Endorsement | CFC-GN-0027 | 11 19 | END | New | | | CFC-GN-0027 11 19 POLLUTION EXCLUSION DELETION ENDORSEMENT .pdf |
| 37 | | Property Perils Exclusion Deletion Endorsement | CFC-GN-0028 | 11 19 | END | New | | | CFC-GN-0028 11 19 PROPERTY PERILS EXCLUSION DELETION ENDORSEMENT .pdf |
| 38 | | Schedule Of Information | CFC-GN-0029 | 11 19 | END | New | | | CFC-GN-0029 11 19 SCHEDULE OF INFORMATION.p df |

SERFF Tracking #:

STNA-132219456

State Tracking #:

Company Tracking #:

CFC-DC-19001-FO

State: District of Columbia

Filing Company:

State National Insurance Company, Inc.

TOI/Sub-TOI: 17.0 Other Liability-Occ/Claims Made/17.0024 Internet Liability

Product Name: CFC - Cyber Private Enterprise Program

Project Name/Number: CFC - Cyber Private Enterprise Program/CFC-DC-19001-FO

| Item No. | Schedule Item Status | Form Name | Form Number | Edition Date | Form Type | Form Action | Action Specific Data | Readability Score | Attachments |
|----------|----------------------|---|-------------|--------------|-----------|-------------|----------------------|-------------------|--|
| 39 | | Subsidiary Definition Amendatory Endorsement | CFC-GN-0030 | 11 19 | END | New | | | CFC-GN-0030 11 19 SUBSIDIARY DEFINITION AMENDATORY ENDORSEMENT .pdf |
| 40 | | The Insured Amendatory Endorsement | CFC-GN-0033 | 11 19 | END | New | | | CFC-GN-0033 11 19 THE INSURED AMENDATORY ENDORSEMENT .pdf |
| 41 | | Transfer Of Third Party Funds Exclusion Endorsement | CFC-GN-0034 | 11 19 | END | New | | | CFC-GN-0034 11 19 TRANSFER OF THIRD PARTY FUNDS EXCLUSION ENDORSEMENT .pdf |
| 42 | | Unlawful Collection Of Data Exclusion Deletion Endorsement | CFC-GN-0035 | 11 19 | END | New | | | CFC-GN-0035 11 19 UNLAWFUL COLLECTION OF DATA EXCLUSION DELETION ENDORSEMENT .pdf |
| 43 | | Verification Of Fund Transfers Condition Deletion Endorsement | CFC-GN-0036 | 11 19 | END | New | | | CFC-GN-0036 11 19 VERIFICATION OF FUND TRANSFERS CONDITION DELETION ENDORSEMENT .pdf |

SERFF Tracking #:

STNA-132219456

State Tracking #:

Company Tracking #:

CFC-DC-19001-FO

State: District of Columbia

Filing Company:

State National Insurance Company, Inc.

TOI/Sub-TOI: 17.0 Other Liability-Occ/Claims Made/17.0024 Internet Liability

Product Name: CFC - Cyber Private Enterprise Program

Project Name/Number: CFC - Cyber Private Enterprise Program/CFC-DC-19001-FO

| Item No. | Schedule Item Status | Form Name | Form Number | Edition Date | Form Type | Form Action | Action Specific Data | Readability Score | Attachments |
|----------|----------------------|---|-------------|--------------|-----------|-------------|----------------------|-------------------|--|
| 44 | | Policy Jacket | CFC-GN-0041 | 11 19 | OTH | New | | | CFC-GN-0041 11 19 POLICY JACKET - All States except California and New York - No Signature.pdf |
| 45 | | Declarations | CFC-GN-0044 | 11 19 | DEC | New | | | CFC-GN-0044 11 19 DECLARATIONS .pdf |
| 46 | | Notice Of Cancellation Letter | CFC-GN-0045 | 11 19 | OTH | New | | | CFC-GN-0045 11 19 NOTICE OF CANCELLATION LETTER.pdf |
| 47 | | Policyholder Disclosure Notice Of Terrorism Insurance Coverage | CFC-GN-0049 | 11 19 | DSC | New | | | CFC-GN-0049 11 19 POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE.pdf |
| 48 | | Criminal, Malicious Or Dishonest Acts Of Senior Executive Officers Exclusion Amendatory Endorsement | CFC-GN-0050 | 11 19 | END | New | | | CFC-GN-0050 11 19 CRIMINAL, MALICIOUS OR DISHONEST ACTS OF SENIOR EXECUTIVE OFFICERS EXCLUSION.pdf |
| 49 | | Mid Term Endorsement Deletion | CFC-GN-0057 | 11 19 | END | New | | | CFC-GN-0057 11 19 MID-TERM ENDORSEMENT DELETION.pdf |

| | | | |
|-----------------------------|---|------------------------|--|
| State: | District of Columbia | Filing Company: | State National Insurance Company, Inc. |
| TOI/Sub-TOI: | 17.0 Other Liability-Occ/Claims Made/17.0024 Internet Liability | | |
| Product Name: | CFC - Cyber Private Enterprise Program | | |
| Project Name/Number: | CFC - Cyber Private Enterprise Program/CFC-DC-19001-FO | | |

| Item No. | Schedule Item Status | Form Name | Form Number | Edition Date | Form Type | Form Action | Action Specific Data | Readability Score | Attachments |
|----------|----------------------|---|-------------|--------------|-----------|-------------|----------------------|-------------------|--|
| 50 | | Application Warranty Endorsement | CFC-GN-0058 | 11 19 | END | New | | | CFC-GN-0058 11 19 APPLICATION WARRANTY ENDORSEMENT .pdf |
| 51 | | District Of Columbia Amendatory Endorsement | CFC-GN-0048 | 11 19 | END | New | | | CFC-GN-0048 11 19 DISTRICT OF COLUMBIA AMENDATORY ENDORSEMENT .pdf |

Form Type Legend:

| | | | |
|------------|--|------------|----------------------------------|
| ABE | Application/Binder/Enrollment | ADV | Advertising |
| BND | Bond | CER | Certificate |
| CNR | Canc/NonRen Notice | DEC | Declarations/Schedule |
| DSC | Disclosure/Notice | END | Endorsement/Amendment/Conditions |
| ERS | Election/Rejection/Supplemental Applications | OTH | Other |

ADDITIONAL EXTRA EXPENSE EXTENSION ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following amendments are made to this Policy:

1. The following **SECTION** is added to **INSURING CLAUSE 3** in the Declarations page:

ADDITIONAL EXTRA EXPENSE

Aggregate limit of liability: { } in the aggregate

Deductible: { } each and every claim

2. The following **SECTION** is added to **INSURING CLAUSE 3**:

ADDITIONAL EXTRA EXPENSE

We agree to reimburse **you** for any reasonable sums necessarily incurred during the **indemnity period** that are in addition to **your** normal operating expenses and the **extra expense** recoverable under **INSURING CLAUSE 3 (SECTION B)** only):

- a. to source **your** products or services from alternative sources in order to meet contractual obligations to supply **your** customers;
- b. to employ contract staff or overtime costs for **employees** in order to continue **your** business activities;
- c. to employ specialist consultants, including IT forensic consultants to diagnose the source of the **computer systems** downtime; and
- d. for **employees** working overtime within **your** IT department to diagnose and fix the source of the **computer systems** downtime;

to mitigate an interruption to **your** business activities covered under **INSURING CLAUSE 3 (SECTION B)** only).

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

BETTERMENT EXCLUSION AMENDATORY ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following is added to the "Betterment" **EXCLUSION**:

However, in the event of a hacking attack, malware infection or computer virus, when rebuilding **your computer systems** we will pay the additional costs and expenses incurred to install a more secure and efficient version of the affected **computer system**, provided that the maximum amount **we** will pay is 25% more than the cost that would have been incurred to repair or replace the original model or license. Under no circumstances will **we** pay the cost of acquiring or installing **computer systems** which did not form a part of **your computer systems** immediately prior to the incident which gave rise to the claim.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY



CONSEQUENTIAL REPUTATIONAL HARM EXTENSION ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following amendments are made to this Policy:

1. The following **SECTION** is added to **INSURING CLAUSE 3** in the Declarations page:

SECTION: CONSEQUENTIAL REPUTATIONAL HARM

Aggregate limit of liability: { } in the aggregate

Deductible: { } each and every claim

2. The following **SECTION** is added to **INSURING CLAUSE 3**:

SECTION: CONSEQUENTIAL REPUTATIONAL HARM

We agree to reimburse **you** for **your reputational harm income loss** sustained during the **reputational harm period** as a direct result of:

- a. the loss of current or future customers; or
- b. **your client** suspending or terminating their contract with **you**; caused solely as a result of a **cyber event** first discovered by **you** during the **period of the policy**.

3. The following **DEFINITIONS** are added:

"Reputational harm income loss" means

your income (less sales tax) that would have been earned during the **reputational harm period** that is permanently lost as a direct result of:

- a. the loss of current or future customers; or
- b. **your client** suspending or terminating their contract with **you**; less any cost savings achieved as a direct result of the reduction in income.

"Reputational harm period" means

the period starting from when the **cyber event** is first discovered and lasting for { }.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY



CONTRACTUAL CONSEQUENTIAL REPUTATIONAL HARM EXTENSION ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following amendments are made to this Policy:

1. The following **SECTION** is added to **INSURING CLAUSE 3** in the Declarations page:

SECTION: CONTRACTUAL CONSEQUENTIAL REPUTATIONAL HARM

Aggregate limit of liability: { } in the aggregate

Deductible: { } each and every claim

2. The following **SECTION** is added to **INSURING CLAUSE 3**:

SECTION: CONTRACTUAL CONSEQUENTIAL REPUTATIONAL HARM

We agree to reimburse **you** for **your reputational harm income loss** sustained during the **reputational harm period** as a direct result of **your client** suspending or terminating their contract with **you** caused solely as a result of a **cyber event** first discovered by **you** during the **period of the policy**.

3. The following **DEFINITIONS** are added:

"Reputational harm income loss" means

your income (less sales tax) that would have been earned during the **reputational harm period** that is permanently lost as a direct result of **your client** suspending or terminating their contract with **you**, less any cost savings achieved as a direct result of the reduction in income.

"Reputational harm period" means

the period starting from when the **cyber event** is first discovered and lasting for { }.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

CUSTOMER CONSEQUENTIAL REPUTATIONAL HARM EXTENSION ENDORSEMENT

ATTACHING TO POLICY
NUMBER: { }
THE INSURED: { }
WITH EFFECT FROM: { }

It is understood and agreed that the following amendments are made to this Policy:

1. The following **SECTION** is added to **INSURING CLAUSE 3** in the Declarations page:

SECTION: CUSTOMER CONSEQUENTIAL REPUTATIONAL HARM

Aggregate limit of liability: { } in the aggregate

Deductible: { } each and every claim

2. The following **SECTION** is added to **INSURING CLAUSE 3**:

SECTION: CUSTOMER CONSEQUENTIAL REPUTATIONAL HARM

We agree to reimburse **you** for **your reputational harm income loss** sustained during the **reputational harm period** as a direct result of the loss of current or future customers caused solely as a result of a **cyber event** first discovered by **you** during the **period of the policy**.

3. The following **DEFINITIONS** are added:

“Reputational harm income loss” means

your income (less sales tax) that would have been earned during the **reputational harm period** that is permanently lost as a direct result of the loss of current or future customers, less any cost savings achieved as a direct result of the reduction in income.

“Reputational harm period” means

the period starting from when the **cyber event** is first discovered and lasting for { }.

4. The following **EXCLUSION** is added to this Policy:

Contractual cancellation

in respect of the **CUSTOMER CONSEQUENTIAL REPUTATIONAL HARM SECTION** of **INSURING CLAUSE 3**, for any **reputational harm income loss** arising directly or indirectly out of any **client** suspending or terminating their contract with **you**.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

CUSTOMER PAYMENT FRAUD EXTENSION ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following amendments are made to this Policy:

1. The following **SECTION** is added to **INSURING CLAUSE 2** in the Declarations page:

SECTION: CUSTOMER PAYMENT FRAUD

Aggregate limit of liability: { } in the aggregate

Deductible: { } each and every claim

2. The following **SECTION** is added to **INSURING CLAUSE 2**:

SECTION: CUSTOMER PAYMENT FRAUD

We agree to reimburse **you** for **loss**, including outstanding debts and the cost of reimbursing **your** existing customers for their financial loss, as a direct result of any phishing, vishing or other social engineering attack against any existing customer of **yours** arising as a direct result of any **cyber event** first discovered by **you** during the **period of the policy**.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

HARDWARE REPLACEMENT COSTS EXTENSION ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following amendments are made to this Policy:

1. The following **SECTION** is added to **INSURING CLAUSE 3** in the Declarations page:

SECTION: HARDWARE REPLACEMENT COSTS

Aggregate limit of liability: { } in the aggregate

Deductible: { } each and every claim

2. The following **SECTION** is added to **INSURING CLAUSE 3**:

SECTION: HARDWARE REPLACEMENT COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred to replace any computer hardware or tangible equipment forming part of **your computer systems** that have been damaged as a direct result of a **cyber event** first discovered by **you** during the **period of the policy**, provided that replacing the computer hardware or tangible equipment is a more time efficient and cost effective solution than installing new firmware or software onto **your** existing hardware.

3. The "Betterment" and "Property and hardware costs" **EXCLUSIONS** will not apply to the **HARDWARE REPLACEMENT COSTS SECTION** of **INSURING CLAUSE 3**.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

INCIDENT RESPONSE OUTSIDE OF THE POLICY LIMIT ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following amendments are made to this Policy:

1. The words "ALL INSURING CLAUSES COMBINED" stated in the Declarations page are deleted and replaced with "INSURING CLAUSES 2-6 COMBINED".
2. The following is added to **INSURING CLAUSE 1** in the Declarations page:

ALL SECTIONS COMBINED

Aggregate limit of liability: { } in the aggregate

3. "**HOW MUCH WE WILL PAY**" is deleted in its entirety and replaced with the following:

HOW MUCH WE WILL PAY

The maximum amount payable by **us** under this Policy in total across all Insuring Clauses will not exceed the **policy limit** plus the **incident response limit**.

The maximum amount payable by **us** in respect of each Section and each Insuring Clause will not exceed the **insured limit** for that Section or Insuring Clause.

Where cover is provided under multiple Sections of one or more Insuring Clauses, the maximum amount **we** will pay in total for that claim is the amount of the highest **insured limit** of the Sections under which cover is provided plus the **incident response limit**.

Where more than one claim under this Policy arises from the same original cause or single source or event, all of those claims will be deemed to be one claim and only one **insured limit** and **incident response limit** will be applicable.

4. The "**Policy limit**" **DEFINITION** is deleted in its entirety and replaced with the following:

"**Policy limit**" means

the aggregate limit of liability for **INSURING CLAUSES 2 – 6** combined as stated in the Declarations page.

5. The following **DEFINITION** is added:

"Incident response limit" means
the aggregate limit of liability for all Sections combined of
INSURING CLAUSE 1 as stated in the Declarations page.

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE
POLICY**



LAW FIRMS SPECIAL AMENDATORY ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following amendments are made to this Policy:

1. The **DEFINITION** of **"Employee"** is deleted in its entirety and replaced with the following:

"Employee" means

any employee of the **company**, any volunteer working for the **company**, any partner at the **company** and any individual working for the **company** as an independent contractor.

2. The **DEFINITION** of **"Senior executive officer"** is deleted in its entirety and replaced with the following:

"Senior executive officer" means

board members, managing partners, in-house lawyers and risk managers of the **company**.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

LISTED SUPPLY CHAIN PARTNERS AMENDATORY ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following amendments are made to this Policy:

1. The **DEFINITION** of **“Supply chain partner”** is deleted in its entirety and replaced with the following:

“Supply chain partner” means

- a. any **third party** that provides **you** with hosted computing services including infrastructure, platform, file storage and application level services; or
- b. the following entities, but solely in respect of the provision of goods or services to **you** under a written contract:
{ }.

2. The following **CONDITION** is added:

Non-technology supply chain partners limit of liability

In the event **INSURING CLAUSE 3 (SECTION C)** only) responds to any claim in respect of any entity listed in part b. of the **“supply chain partner” DEFINITION**, the following aggregate limit of liability and deductible will apply and not the **insured limit** and **deductible** stated in the Declarations page.

Aggregate limit of liability: { } in the aggregate

Deductible: { } each and every claim

The aggregate limit of liability stated above is part of and not in addition to the **insured limit** for **INSURING CLAUSE 3 (SECTION C)** only) and the **policy limit**.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

MEDIA LIABILITY AMENDATORY ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following amendments are made to this Policy:

1. The **"Media content" DEFINITION** is deleted in its entirety and replaced with the following:

"Media content" means

any content created or disseminated by **you** or on **your** behalf, including but not limited to content disseminated through books, magazines, brochures, social media, billboards, websites, mobile applications, television and radio.

"Media content" does not include any:

- a. tangible product design;
- b. industrial design;
- c. architectural or building services;
- d. advertisement created by **you** for a **third party**;
- e. business, company, product or trading name;
- f. product packaging or labelling; or
- g. software products.

2. The "Product IP infringement" **EXCLUSION** will apply to **INSURING CLAUSE 5**.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

SYSTEM DAMAGE AND RECTIFICATION COSTS AMENDATORY ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that **INSURING CLAUSE 3 (SECTION A only)** is deleted in its entirety and replaced with the following:

SECTION A: SYSTEM DAMAGE AND RECTIFICATION COSTS

We agree to reimburse **you** for the additional cost of employing:

- a. contract staff or overtime costs for **employees** to rebuild **your** data, including the cost of data re-entry or data re-creation;
- b. specialist data recovery consultants, including IT forensic consultants, to recover **your** data or applications; and
- c. specialist consultants or overtime costs for **employees** working within **your** IT department to reconstitute **your computer systems** to the position they were in immediately prior to the **cyber event**;

reasonably and necessarily incurred as a direct result of a **cyber event** first discovered by **you** during the **period of the policy**.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

SYSTEM FAILURE EXTENSION ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following amendments are made to this Policy:

1. **INSURING CLAUSE 3 (SECTION B)** is deleted in its entirety and replaced with the following:

SECTION B: INCOME LOSS AND EXTRA EXPENSE

We agree to reimburse **you** for **your income loss** and **extra expense** sustained during the **indemnity period** as a direct result of an interruption to **your** business activities arising directly out of any sudden, unexpected and continuous outage of **your computer systems** which is first discovered by **you** during the **period of the policy**, provided that the **computer systems** outage lasts longer than the **waiting period** and arises directly out of any **cyber event** or **system failure**.

2. **INSURING CLAUSE 3 (SECTION C)** is deleted in its entirety and replaced with the following:

SECTION C: DEPENDENT BUSINESS INTERRUPTION

We agree to reimburse **you** for **your income loss** and **extra expense** sustained during the **indemnity period** as a direct result of an interruption to **your** business activities arising directly out of any sudden, unexpected and continuous outage of computer systems used directly by a **supply chain partner** which is first discovered by **you** during the **period of the policy**, provided that the computer systems outage lasts longer than the **waiting period** and arises directly out of any **cyber event** or **system failure**.

3. The "**Cyber event**" **DEFINITION** does not mean any **system failure**.
4. The "**Income loss**" **DEFINITION** is deleted in its entirety and replaced with the following:

"Income loss" means

your income that, had the **cyber event** or **system failure** which gave rise to the claim not occurred, would have been generated directly from **your** business activities (less sales tax) during the **indemnity period**, less:

- a. actual income (less sales tax) generated directly from **your** business activities during the **indemnity period**; and
- b. any cost savings achieved as a direct result of the reduction in income.

5. The following **DEFINITION** is added to this Policy:

“System failure” means any sudden, unexpected and continuous outage of **your computer systems** which renders them incapable of supporting their normal business function and is caused by an application bug, an internal network failure or hardware failure.

However, in respect of **INSURING CLAUSE 3 (SECTION C only)**, **system failure** also means any sudden, unexpected and continuous outage of computer systems used directly by a **supply chain partner** which renders them incapable of supporting their normal business function and is caused by an application bug, an internal network failure or hardware failure.

“System failure” does not mean a **cyber event**.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY



Cyber

Private enterprise

Policy document

United States

PREAMBLE

IMPORTANT: COVERAGE TRIGGERS. It is important for **you** to review this Policy in its entirety carefully, including **CONDITION 1**, as the trigger for coverage, including when **you** must notify **us** of a claim, under each Section and Insuring Clause may differ.

INSURING CLAUSES 5 and **6** provide cover on a claims made basis. **You** are provided with an automatic extended reporting period in accordance with **CONDITION 5** and entitled to purchase an optional extended reporting period in accordance with **CONDITION 6**. If **you** have any questions regarding claims made coverage or the importance of purchasing an extended reporting period, **you** are advised to contact **your** broker.

This Policy is a contract of insurance between **you** and **us**. **Your** Policy contains all the details of the cover that **we** provide. This Policy consists of and must be read together with the Declarations page and any Endorsements. This Policy is not complete unless it is signed and a Declarations page is attached.

The sections of this Policy are identified by the blue lines across the page with white upper case print, these are for information purposes only and do not form part of the cover given by this Policy. Terms in bold upper case print are references to specific Insuring Clauses, Sections or Conditions. Other terms in bold lower case print are defined terms and have a special meaning as set forth in the Definitions section and elsewhere. Words stated in the singular will include the plural and vice versa.

In consideration of the **premium** and in reliance upon the information that **you** have provided to **us** prior to the commencement of this insurance, **we** agree to provide the cover as set out below:

INSURING CLAUSES

INSURING CLAUSE 1: CYBER INCIDENT RESPONSE

SECTION A: INCIDENT RESPONSE COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred by **you**, or on **your** behalf, as a direct result of a **cyber event** first discovered by **you** during the **period of the policy** to:

- a. gain access to **our 24/7 cyber incident response line**;
- b. engage with **our cyber incident manager** who will coordinate the initial response;
- c. obtain initial advice and consultancy from **our cyber incident manager**, including threat intelligence in relation to the **cyber event**; and
- d. obtain initial remote support and assistance from **our cyber incident manager** to respond to the **cyber event**.



SECTION B: LEGAL AND REGULATORY COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred by **you**, or on **your** behalf, as a direct result of a **cyber event** first discovered by **you** during the **period of the policy** to:

- a. obtain initial legal advice to determine **your privacy breach** notification obligations;
- b. draft notification letters, substitute notices, website notices or e-mail notification templates; and
- c. notify any appropriate government, regulatory, law enforcement, professional or statutory body.

SECTION C: IT SECURITY AND FORENSIC COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred by **you**, or on **your** behalf, as a direct result of a **cyber event** first discovered by **you** during the **period of the policy** to:

- a. engage with an external IT security consultant to identify the source and scope of the **cyber event**;
- b. obtain initial advice to remediate the impact of the **cyber event**;
- c. conduct a forensic investigation of **your computer systems** where reasonable and necessary or as required by law or a regulatory body (including a requirement for a PCI Forensic Investigator);
- d. contain and remove any malware discovered on **your computer systems**; and
- e. engage with an IT security consultant to provide expert witness testimony at any trial or hearing arising from the **cyber event**.

SECTION D: CRISIS COMMUNICATION COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred by **you**, or on **your** behalf, as a direct result of a **cyber event** first discovered by **you** during the **period of the policy** to:

- a. engage with a crisis communications consultant to obtain specific advice in direct relation to the **cyber event**;
- b. coordinate media relations in response to the **cyber event**;
- c. receive training for relevant spokespeople with respect to media communications in direct relation to the **cyber event**; and
- d. formulate a crisis communications plan in order to reduce damage to **your** brand and reputation as a direct result of the **cyber event**.

SECTION E: PRIVACY BREACH MANAGEMENT COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred by **you**, or on **your** behalf, as a direct result of a **cyber event** first discovered during the **period of the policy** to:



- a. print and post appropriate notices for any individual affected by the actual or suspected **cyber event** or to send e-mail notices or issue substitute notices;
- b. provide credit monitoring services, identity monitoring services, identity restoration services or identity theft insurance to affected individuals;
- c. set up a call center to manage inbound and outbound calls in direct relation to the **cyber event**; and
- d. provide translation services to manage communications with affected individuals.

SECTION F: THIRD PARTY PRIVACY BREACH MANAGEMENT COSTS

We agree to pay on behalf of any **third party** any reasonable sums necessarily incurred as a direct result of a **cyber event** first discovered by **you** during the **period of the policy** to:

- a. print and post appropriate notices for any individual affected by the actual or suspected **cyber event** or to send e-mail notices or issue substitute notices;
- b. provide credit monitoring services, identity monitoring services, identity restoration services or identity theft insurance to affected individuals;
- c. set up a call center to manage inbound and outbound calls in direct relation to the **cyber event**; and
- d. provide translation services to manage communications with affected individuals;

provided that **you** have contractually indemnified the **third party** against this **cyber event** and they have a legal obligation to notify affected individuals and that any costs incurred are with a provider that **we** have selected and approved in conjunction with **you**.

SECTION G: POST BREACH REMEDIATION COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred by **you**, or on **your** behalf, with **our cyber incident manager** for any services that will mitigate the potential of a future **cyber event** following a **cyber event** covered under **INSURING CLAUSE 1 (SECTIONS A, B, C, D, E and F only)**.

INSURING CLAUSE 2: CYBER CRIME

SECTION A: ELECTRONIC THEFT OF YOUR FINANCIAL ASSETS

We agree to reimburse **you** for **loss** first discovered by **you** during the **period of the policy** as a direct result of any **third party** committing an unauthorized electronic transfer of **your** financial assets from a bank or other financial institution, including an asset management firm, pension or investment fund.

SECTION B: ELECTRONIC THEFT OF THIRD PARTY FUNDS HELD IN ESCROW

We agree to reimburse **you** for **loss** (including compensation **you** are legally obliged to pay) first discovered by **you** during the **period of the policy** as a direct result of **you** having to reimburse any **third party** for theft from a bank account held in **your** name of money or other financial assets held by **you** on behalf of that **third party**, provided that the theft was committed by electronic means by any other **third party**.



SECTION C: ELECTRONIC THEFT OF PERSONAL FINANCIAL ASSETS

We agree to reimburse any **senior executive officer** for personal financial loss first discovered by them during the **period of the policy** as a direct result of any **third party** compromising the **company's** network security which results in:

- a. theft of money or other financial assets from a personal bank account of the **senior executive officer**; or
- b. identity theft of the **senior executive officer** as a result of a **privacy breach** suffered by **you**.

SECTION D: EXTORTION

We agree to reimburse **you** for any ransom paid by **you**, or on **your** behalf, in response to an extortion demand first discovered by **you** during the **period of the policy** as a direct result of any threat to:

- a. introduce malware, or the actual introduction of malware, including Ransomware, into **your computer systems**;
- b. prevent access to **your computer systems** or data or any **third party** systems hosting **your** applications or data;
- c. reveal **your** confidential information or confidential information entrusted to **you**; or
- d. damage **your** brand or reputation by posting false or misleading comments about **you** on social media sites.

SECTION E: AUTHORIZED PUSH PAYMENT FRAUD

We agree to reimburse **you** for **loss** first discovered by **you** during the **period of the policy** as a direct result of any phishing, vishing or other social engineering attack against any **employee** that results in the electronic transfer of:

- a. **your** funds; or
- b. **third party** funds from a bank account held by **you** on behalf of the **third party**;

authorized by **you**, to an unintended **third party**, including fake invoice scams and CEO fraud.

SECTION F: TELEPHONE HACKING

We agree to reimburse **you** for **loss** associated with the cost of unauthorized calls or unauthorized use of **your** bandwidth first discovered by **you** during the **period of the policy** as a direct result of **your** telephone system being hacked by a **third party**.

SECTION G: UNAUTHORIZED USE OF COMPUTER RESOURCES

We agree to reimburse **you** for **loss** associated with increased electricity costs and cloud service billing first discovered by **you** during the **period of the policy** as a direct result of **cryptojacking** or **botnetting**.



INSURING CLAUSE 3: SYSTEM DAMAGE AND BUSINESS INTERRUPTION

SECTION A: SYSTEM DAMAGE AND RECTIFICATION COSTS

We agree to reimburse **you** for the reasonable and necessary additional costs of employing specialist data recovery consultants, including IT forensic consultants, to recover **your** data or applications as a direct result of a **cyber event** first discovered by **you** during the **period of the policy**.

SECTION B: INCOME LOSS AND EXTRA EXPENSE

We agree to reimburse **you** for **your income loss** and **extra expense** sustained during the **indemnity period** as a direct result of an interruption to **your** business activities arising directly out of any sudden, unexpected and continuous outage of **your computer systems** which is first discovered by **you** during the **period of the policy**, provided that the **computer systems** outage lasts longer than the **waiting period** and arises directly out of any **cyber event**.

SECTION C: DEPENDENT BUSINESS INTERRUPTION

We agree to reimburse **you** for **your income loss** and **extra expense** sustained during the **indemnity period** as a direct result of an interruption to **your** business activities arising directly out of any sudden, unexpected and continuous outage of computer systems used directly by a **supply chain partner** which is first discovered by **you** during the **period of the policy**, provided that the computer systems outage lasts longer than the **waiting period** and arises directly out of any **cyber event**.

SECTION D: CLAIM PREPARATION COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred for professional fees to determine the amount of **your income loss** and **extra expense** sustained following an event covered under **INSURING CLAUSE 3 (SECTIONS B and C only)**.

INSURING CLAUSE 4: NETWORK SECURITY & PRIVACY LIABILITY

SECTION A: NETWORK SECURITY LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including the establishment of any consumer redress fund and associated expenses) as a result of any **claim** arising directly out of a **cyber event** first discovered by **you** during the **period of the policy** that results in:

- a. the transmission of malware to a **third party's** computer system;
- b. **your computer systems** being used to carry out a denial of service attack;
- c. **your** failure to prevent unauthorized access to information stored or applications hosted on **your computer systems**; and
- d. identity theft, experienced by **your employees** or any **third party**.

We will also pay **costs and expenses** on **your** behalf.



SECTION B: PRIVACY LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including the establishment of any consumer redress fund and associated expenses) as a result of any **claim** arising directly out of a **cyber event** first discovered by **you** during the **period of the policy** that results in:

- a. an actual or suspected disclosure of or unauthorized access to any Personally Identifiable Information (PII), including payment card information or Protected Health Information (PHI);
- b. **your** failure to adequately warn affected individuals of a **privacy breach**, including the failure to provide a data breach notification in a timely manner;
- c. a breach of any rights of confidentiality as a direct result of **your** failure to maintain the confidentiality of any data pertaining to an **employee**;
- d. a breach of any rights of confidentiality, including a breach of any provisions of a non-disclosure agreement or breach of a contractual warranty relating to the confidentiality of commercial information, PII, or PHI;
- e. a breach of any part of **your** privacy policy; or
- f. actual or suspected disclosure of or unauthorized access to **your** data or data for which **you** are responsible.

We will also pay **costs and expenses** on **your** behalf.

SECTION C: MANAGEMENT LIABILITY

We agree to pay on behalf of any **senior executive officer** all sums they become legally obliged to pay as a result of any **claim** made against them arising directly out of a **cyber event** first discovered by **you** during the **period of the policy**.

We will also pay **costs and expenses** on behalf of **your senior executive officers**.

However, **we** will not make any payment under this Section for which the **senior executive officer** is entitled to indemnity under any other insurance, except for any additional sum which is payable over and above the other insurance.

SECTION D: REGULATORY INVESTIGATION COSTS

We agree to pay on **your** behalf any fines and penalties resulting from a **regulatory investigation** arising as a direct result of a **cyber event** first discovered by **you** during the **period of the policy**.

We will also pay **costs and expenses** on **your** behalf.

SECTION E: MERCHANT SERVICES LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay **your** acquiring bank or payment processor, including card brand assessments, fraud recoveries,



operational reimbursements, non-cooperation costs and case management fees as a direct result of a **payment card breach** first discovered by **you** during the **period of the policy**.

We will also pay **costs and expenses** on **your** behalf.

INSURING CLAUSE 5: MEDIA LIABILITY

SECTION A: DEFAMATION

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** during the **period of the policy** or any applicable extended reporting period for any:

- a. defamation, including but not limited to libel, slander, trade libel, product disparagement and injurious falsehood; or
- b. emotional distress or outrage based on harm to the character or reputation of any person or entity;

arising out of any **media content**.

We will also pay **costs and expenses** on **your** behalf.

SECTION B: INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** during the **period of the policy** or any applicable extended reporting period for any:

- a. infringement of any intellectual property rights, including, but not limited to, copyright, trademark, trade dilution, trade dress, commercial rights, design rights, domain name rights, image rights, moral rights, service mark or service name, but not including patent;
- b. act of passing-off, piracy or plagiarism or any misappropriation of content, concepts, format rights or ideas or breach of a contractual warranty relating to intellectual property rights;
- c. breach of any intellectual property rights license acquired by **you**; or
- d. failure to attribute authorship or provide credit;

arising out of any **media content**.

We will also pay **costs and expenses** on **your** behalf.

INSURING CLAUSE 6: TECHNOLOGY ERRORS AND OMISSIONS

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' **costs and expenses**) as a result of any **claim** first made against **you** during the **period of the policy** or any applicable extended reporting period arising out of any act, error, omission or breach of contract in the provision of **your technology services**.

We will also pay **costs and expenses** on **your** behalf.

HOW MUCH WE WILL PAY

The maximum amount payable by **us** under this Policy in total across all Insuring Clauses will not exceed the **policy limit**.

The maximum amount payable by **us** in respect of each Section and each Insuring Clause will not exceed the **insured limit** for that Section or Insuring Clause.

Where cover is provided under multiple Sections of one or more Insuring Clauses, the maximum amount **we** will pay in total for that claim is the amount of the highest **insured limit** of the Sections under which cover is provided.

Where more than one claim under this Policy arises from the same original cause or single source or event, all of those claims will be deemed to be one claim and only one **insured limit** will be applicable.

YOUR DEDUCTIBLE

We will only be liable for that part of each and every claim which exceeds the amount of the **deductible**. If any expenditure is incurred by **us** which falls within the amount of the **deductible**, then **you** will reimburse that amount to **us** upon **our** request.

Where more than one claim arises from the same original cause or single source or event all of those claims will be deemed to be one claim and only one **deductible** will apply.

In respect of **INSURING CLAUSE 3 (SECTIONS B and C only)**, a single **waiting period, deductible and indemnity period** will apply to each claim. Where the same original cause or single source or event causes multiple computer system outages, these will be considered one computer system outage whose total duration is equal to the cumulative duration of each individual outage.

Where cover is provided under multiple Sections or multiple Insuring Clauses only one **deductible** will apply to that claim and this will be the highest **deductible** of the Sections under which cover is provided.

DEFINITIONS

1. **"Approved claims panel providers"** means
the approved claims panel providers stated in the Declarations page.



2. **"Botnetting"** means

the unauthorized use of **your computer systems** by a **third party** for the purpose of launching a denial of service attack or hacking attack against another **third party**.

3. **"Claim"** means

- a. a written demand for compensation;
- b. a written request for a retraction or a correction;
- c. a threat or initiation of a lawsuit; or
- d. a disciplinary action or **regulatory investigation**;

made against **you**.

4. **"Client"** means

any **third party** with whom **you** have a contract in place for the supply of **your** business services in return for a fee, or where a fee would normally be expected to be paid.

5. **"Company"** means

the company named as the Insured in the Declarations page or any **subsidiary**.

6. **"Computer systems"** means

all electronic computers used directly by **you**, including operating systems, software, hardware and all communication and open system networks and any data or websites wheresoever hosted, off-line media libraries and data back-ups and mobile devices including but not limited to smartphones, iPhones, tablets or personal digital assistants.

7. **"Continuity date"** means

the **effective date** or if **you** have maintained uninterrupted insurance of the same type with **us**, the date this insurance was first incepted with **us**.

8. **"Costs and expenses"** means

- a. **third party** legal and professional expenses (including disbursements) reasonably incurred in the defense of **claims** or circumstances which could reasonably be expected to give rise to a **claim** or in quashing or challenging the scope of any injunction, subpoena or witness summons;
- b. any post judgment interest;
- c. the cost of appeal, attachment and similar bonds including bail and penal bonds; and
- d. **your** reasonable costs to attend court or any tribunal, arbitration, adjudication, mediation or other hearing in connection with any **claim**.

Subject to all **costs and expenses** being incurred with the **cyber incident manager's** prior written agreement.



9. **"Cryptojacking"** means
the unauthorized use of **your computer systems** by a **third party** for the sole purpose of cryptocurrency mining activities.
10. **"Cyber event"** means
any actual or suspected unauthorized access to, or electronic attack on, **your computer systems**, or in respect of **INSURING CLAUSE 3 (SECTION C)** only) computer systems used directly by a **supply chain partner**, including a denial of service attack, cyber terrorism, hacking attack, Trojan horse, phishing attack, man-in-the-middle attack, application-layer attack, compromised key attack, malware infection (including spyware or Ransomware) or computer virus.
- "Cyber event"** also means any **privacy breach**.
11. **"Cyber incident manager"** means
the company or individual named as the cyber incident manager in the Declarations page.
12. **"Cyber incident response line"** means
the telephone number stated as the cyber incident response line in the Declarations page.
13. **"Deductible"** means
the amount stated as the deductible in the Declarations page.
14. **"Effective date"** means
the effective date stated in the Declarations page.
15. **"Employee"** means
any employee of the **company**, any volunteer working for the **company** and any individual working for the **company** as an independent contractor.
16. **"Expiration date"** means
the expiration date stated in the Declarations page or the date the Policy is cancelled in accordance with **CONDITION 4** or terminated in accordance with **CONDITION 8**.
17. **"Extra expense"** means
your reasonable sums necessarily incurred in addition to **your** normal operating expenses to mitigate an interruption to and continue **your** business activities, provided that the costs are less than **your** expected **income loss** sustained during the **indemnity period** had these measures not been taken.
18. **"Funds transfer policy"** means
a **company** policy that requires an **employee** to verify the authenticity or validity of any instruction or communication requesting a:



- a. transfer of funds above USD10,000 prior to the transfer being made; or
- b. change to **client** account details prior to any transfer of funds being made to this **client** or account by **you**;

using contact information that was not acquired from the same instruction or communication and by a method that is different to the method the instruction or communication is received by.

19. **"Income loss"** means

your income that, had the **cyber event** which gave rise to the claim not occurred, would have been generated directly from **your** business activities (less sales tax) during the **indemnity period**, less:

- a. actual income (less sales tax) generated directly from **your** business activities during the **indemnity period**; and
- b. any cost savings achieved as a direct result of the reduction in income.

20. **"Indemnity period"** means

the period starting from the first occurrence of:

- a. the **computer systems** outage; or
- b. the outage of computer systems used directly by a **supply chain partner**;

and lasting for the period stated as the indemnity period in the Declarations page.

21. **"Insured limit"** means

the aggregate limit of liability stated in the Declarations page, which is the maximum amount payable by **us** in respect of all claims under this Policy for that Section or Insuring Clause.

22. **"Loss"** means

any direct financial loss sustained by the **company**.

23. **"Media content"** means

any content created or disseminated by **you** or on **your** behalf distributed through online digital channels, including but not limited to social media, websites and mobile applications.

"Media content" does not include any:

- a. tangible product design;
- b. industrial design;
- c. architectural or building services;
- d. any advertisement created by **you** for a **third party**;
- e. business, company, product or trading name;
- f. product packaging or labeling; or
- g. software products.



24. **"Payment card breach"** means

an actual or suspected unauthorized disclosure of payment card data stored or processed by **you** arising out of an electronic attack, accidental disclosure or the deliberate actions of a rogue **employee**.

"Payment card breach" does not mean a situation where payment card data is deliberately shared with or sold to a **third party** with the knowledge and consent of a **senior executive officer**.

25. **"Period of the policy"** means

the period between the **effective date** and the **expiration date**.

26. **"Policy limit"** means

the aggregate limit of liability for all Insuring Clauses combined stated in the Declarations page.

27. **"Premium"** means

the amount stated as the premium in the Declarations page and any subsequent adjustments.

28. **"Privacy breach"** means

an actual or suspected unauthorized disclosure of information belonging to **you** or in **your** care, custody and control arising out of an electronic attack, accidental disclosure, theft or the deliberate actions of a rogue **employee** or **third party**.

"Privacy breach" does not mean a situation where information is deliberately shared with or sold to a **third party** with the knowledge and consent of a **senior executive officer**.

29. **"Regulatory investigation"** means

a formal hearing, official investigation, examination, inquiry, legal action or any other similar proceeding initiated by a government, regulatory, law enforcement, professional or statutory body against **you**.

30. **"Senior executive officer"** means

board members, C-level executives, in-house lawyers and risk managers of the **company**.

31. **"Subsidiary"** means

any entity which the **company** has majority ownership of, meaning more than 50% ownership, on or before the **effective date**.

32. **"Supply chain partner"** means

any:

- a. **third party** that provides **you** with hosted computing services including infrastructure, platform, file storage and application level services; or



- b. **third party** listed as a supply chain partner in an endorsement attaching to this policy which **we** have issued.

33. **"Technology services"** means

the supply by **you** of technology services to **your client**, including but not limited to hardware, software, data processing, internet services, data and application hosting, computer systems analysis, consulting, training, programming, installation, integration, support and network management.

34. **"Third party"** means

any person who is not an **employee** or any legal entity that is not the **company**.

35. **"Waiting period"** means

the number of hours stated as the waiting period in the Declarations page.

36. **"We/our/us"** means

the insurer stated in the Declarations page.

37. **"You/your"** means

the **company** and **employees** solely acting in the normal course of the **company's** business activities.

EXCLUSIONS

We will not make any payment under this Policy:

EXCLUSIONS RELATING TO SYSTEM DAMAGE AND BUSINESS INTERRUPTION

In respect of **INSURING CLAUSE 3** only:

1. **Business interruption liability**

for that part of any **claim** that constitutes actual or alleged liability to a **third party**, or legal costs in the defense of any **claim**, including customer compensation.

EXCLUSIONS RELATING TO TECHNOLOGY ERRORS AND OMISSIONS

In respect of **INSURING CLAUSE 6** only:

2. **Product IP infringement**

arising directly or indirectly from the actual or alleged theft or misappropriation of any trade secret by an **employee** from a former employer of theirs or infringement of any intellectual property right by any product manufactured, designed, formulated, licensed, distributed, or sold by **you** or the misappropriation of any trade secret by **you** or a **third party**.

EXCLUSIONS RELATING TO ALL INSURING CLAUSES

3. Antitrust

in respect of **INSURING CLAUSES 5** and **6**, for or arising out of any actual or alleged antitrust violation, restraint of trade, unfair competition, false, deceptive or unfair trade practices, violation of consumer protection laws or false or deceptive advertising.

4. Associated companies

- a. in respect of any **claim** made by any company, firm or partnership in which the **company** has greater than a 10% executive or financial interest, unless the **claim** emanates from an independent **third party**;
- b. in respect of any **claim** made by any company, firm, partnership or individual which has greater than a 10% executive or financial interest in the **company**, unless the **claim** emanates from an independent **third party**;
- c. arising out of or resulting from any of **your** activities as a trustee, partner, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than that of the **company**; or
- d. in respect of any **claim** made by or on behalf of the **company** against a **third party**.

5. Betterment

which results in **you** being in a better financial position or **you** benefitting from upgraded versions of **your computer systems** over and above the position **you** were in directly before the event which gave rise to the claim under this policy, including recurring annual costs extending beyond the **period of the policy**.

However, this **EXCLUSION** will not apply to **INSURING CLAUSE 1 (SECTION G only)**.

6. Bodily injury and property damage

arising directly or indirectly out of bodily injury, or tangible property damage.

However, this Exclusion will not apply to **INSURING CLAUSES 4 (SECTIONS A, B and C only)** and **5** for any **claim** as a direct result of mental injury or emotional distress.

7. Chargebacks

for any credit card company or bank, wholly or partially, reversing or preventing a payment transaction, unless specifically covered under **INSURING CLAUSE 4 (SECTION E only)** for which **you** have purchased coverage.

8. Core internet infrastructure failure

arising directly from a failure, material degradation or termination of any core element of the internet, telecommunications or GPS infrastructure that results in a regional, countrywide or global outage of the internet or telecommunications network, including a failure of the core DNS root servers, satellite network or the IP addressing system or an individual state or non-state actor disabling all or part of the internet.

9. **Criminal, malicious or dishonest acts of senior executive officers**

arising directly or indirectly out of any criminal, malicious or dishonest act, error or omission by a **senior executive officer**.

10. **Cryptocurrency**

arising directly or indirectly out of the theft or loss of any crypto asset, including cryptocurrency, utility tokens, securities tokens, ecosystem tokens or any other type of digital currency.

11. **Insolvency**

arising out of or relating directly or indirectly to **your** insolvency or bankruptcy, or the insolvency or bankruptcy of any **third party**. However, **your** insolvency will not relieve **us** of any of **our** legal obligations under this contract of insurance.

12. **Known claims and circumstances**

arising out of any actual or suspected **cyber event, claim** or circumstance which might give rise to a claim under this Policy of which a **senior executive officer** was aware of, or ought reasonably to have been aware of, prior to the **continuity date**, including any claim or circumstance notified to any other insurer.

13. **Liquidated damages, service credits and penalty clauses**

for liquidated damages or service credits, or arising out of penalty clauses unless **you** would have been liable in the absence of any contract stipulating the liquidated damages or service credits or penalty clauses.

14. **Loss of economic value**

for the reduction in economic or market value (including loss of potential future sales) of any of **your** intellectual property assets.

15. **Management liability**

for any sums that **your senior executive officers** become legally obliged to pay, including **costs and expenses**, as a result of any **claim** made against them arising out of a **cyber event**.

However, this Exclusion will not apply to **INSURING CLAUSE 4 (SECTION C)** only).

16. **Merchant services costs and expenses liability**

for any sums **you** become legally obliged to pay **your** acquiring bank or payment processor as a direct result of a **payment card breach**.

However, this Exclusion will not apply to **INSURING CLAUSE 4 (SECTION E)** only).

17. **Misleading advertising**

arising directly or indirectly from any advertisement, promotion or product description that is actually or alleged to be false or misleading.

18. **Nuclear**

arising directly or indirectly from or contributed to by:

- a. ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- b. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component.

19. **Other insurance**

for which **you** are entitled to indemnity under any other insurance except for:

- a. any additional sum which is payable in excess of the other insurance where that insurance has been declared to **us**; or
- b. any contribution that **we** are obliged to make by law and that contribution will be in proportion to the indemnity available under the Policies.

20. **Patent infringement**

arising directly or indirectly out of the actual or alleged infringement of any patent or inducing the infringement of any patent.

21. **Pollution**

arising directly or indirectly out of the discharge, dispersal, release, migration, seepage or escape of any solid, liquid, gaseous, radiological or thermal irritant, toxic or hazardous substance, or contaminant, including smoke vapor, soot, fumes, acids, alkalis, chemicals and waste materials, including recycled, reconditioned or reclaimed materials.

22. **Power and utility failure**

arising directly or indirectly from any:

- a. failure in the power supply, including that caused by any surge or spike in voltage, electrical current or transferred energy; or
- b. failure, disruption or reduction in the supply of utilities, including telecommunications, gas and water infrastructure or services.

23. **Professional liability**

arising directly out of any negligent advice or professional services provided to a **client** for a fee except when arising directly from a **cyber event**.

However, this Exclusion will not apply to **INSURING CLAUSE 6**.

24. **Property and hardware costs**

for any tangible property repair or replacement including the cost of repairing any hardware or replacing any tangible property or equipment that forms part of **your computer systems**.



25. **Property perils**

arising directly or indirectly from fire, theft, earthquake or earth movement of any kind, flood, hail, hurricane, lightning strike, solar storm, tornado, tsunami, volcano, wildfire or wind.

26. **Regular hours staff costs**

for contracted salary and bonus costs paid to **employees**.

27. **Sanctions**

or will be deemed to provide any cover, to the extent that the provision of such payment or cover will expose **us** to any sanction, prohibition or restriction under the United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, Canada, the European Union, United Kingdom or United States of America.

28. **Theft of funds held in escrow**

for theft of money or other financial assets belonging to a **third party** from a bank account held by **you** on their behalf.

However, this Exclusion will not apply to **INSURING CLAUSE 2 (SECTIONS B or E only)**.

29. **Uninsurable fines**

for fines, penalties, civil or criminal sanctions or multiple, punitive or exemplary damages, unless insurable by law.

30. **Unlawful collection of data**

arising directly or indirectly out of any actual or alleged unlawful or unauthorized collection or sale of data by **you** or on **your** behalf, including but not limited to the storage of, harvesting of or processing of any such data.

31. **Unlawful surveillance**

in respect of any actual or alleged eavesdropping, wiretapping, or unauthorized audio or video recording committed by **you** or by a **third party** on **your** behalf with the knowledge and consent of **your senior executive officers**.

32. **Unsolicited communications**

arising directly or indirectly from any actual or alleged violation of:

- a. the CAN-SPAM Act of 2003 or any subsequent amendments to that Act;
- b. the Telephone Consumer Protection Act (TCPA) of 1991 or any subsequent amendments to that Act; or
- c. any other law, regulation or statute relating to unsolicited communication, distribution, sending or transmitting of any communication via telephone or any other electronic or telecommunications device.

However, this Exclusion will not apply to **INSURING CLAUSE 4 (SECTION A only)**.

33. War

arising directly or indirectly out of:

- a. war, including undeclared or civil war;
- b. warlike action by a military force, including action in hindering or defending against an actual or expected attack by any government, sovereign or other authority using military personnel or other agents; or
- c. insurrection, rebellion, usurped power, or action taken by governmental authority in hindering or defending against any of these.

CONDITIONS

1. What you must do if an incident takes place

If any **senior executive officer** becomes aware of any incident which may reasonably be expected to give rise to a claim under this Policy, **you** must:

- a. notify the **cyber incident manager** as soon as is reasonably practicable and follow their directions. However, this notification must be made no later than 60 days following the **expiration date** or the end of any applicable extended reporting period. A telephone call to **our cyber incident response line** or confirmed notification via **our** cyber incident response app will constitute notification to the **cyber incident manager**;
- b. in respect of **INSURING CLAUSE 2**, report the incident to the appropriate law enforcement authorities; and
- c. in respect of **INSURING CLAUSES 4, 5 and 6**, not admit liability for or settle or make or promise any payment or incur any **costs and expenses** without **our** prior written agreement (which will not be unreasonably withheld).

Due to the nature of the coverage offered by this Policy, any unreasonable delay by **you** in notifying the **cyber incident manager** could lead to the size of the claim increasing or to **our** rights of recovery being restricted. **We** will not be liable for that portion of any claim that is due to any unreasonable delay in **you** notifying the **cyber incident manager** of any incident in accordance with this clause. However, if **you** are prevented from notifying **us** by a legal or regulatory obligation then **your** rights under this Policy will not be affected.

If **you** discover a **cyber event** **you** may only incur costs without **our** prior written consent within the first 72 hours following the discovery and any **third party** costs incurred must be with a company forming part of the **approved claims panel providers**. All other costs may only be incurred with the prior written consent of the **cyber incident manager** (which will not be unreasonably withheld).

We require **you** to provide full details of the incident, including but not limited to:



- a. the time, place and nature of the incident;
- b. the manner in which **you** first became aware of this incident;
- c. the reasons why **you** believe that this incident could give rise to a claim under this Policy;
- d. the identity of the potential claimant; and
- e. an indication as to the size of the claim that could result from this incident.

In respect of **INSURING CLAUSES 5** and **6**, if **you** notify an incident that **we** agree is reasonably expected to give rise to a **claim**, **we** will accept any **claim** that arises out of the incident as being notified under this Policy.

2. Agreement to pay claims (duty to defend)

We have the right and duty to take control of and conduct in **your** name the investigation, settlement or defense of any **claim**. **We** will not have any duty to pay **costs and expenses** for any part of a **claim** that is not covered by this Policy.

You may ask the **cyber incident manager** to consider appointing **your** own lawyer to defend the **claim** on **your** behalf and the **cyber incident manager** may grant **your** request if they consider **your** lawyer is suitably qualified by experience, taking into account the subject matter of the **claim**, and the cost to provide a defense.

We will endeavor to settle any **claim** through negotiation, mediation or some other form of alternative dispute resolution and will pay on **your** behalf the amount **we** agree with the claimant. If **we** cannot settle using these means, **we** will pay the amount which **you** are found liable to pay either in court or through arbitration proceedings, subject to the **insured limit**.

We will not settle any **claim** without **your** consent. If **you** refuse to provide **your** consent to a settlement recommended by **us** and elect to continue legal proceedings in connection with the **claim**, any further **costs and expenses** incurred will be paid by **you** and **us** on a proportional basis, with 80% payable by **us** and 20% payable by **you**. As a consequence of **your** refusal, **our** liability for the **claim**, excluding **costs and expenses**, will not be more than the amount for which the **claim** could have been settled.

3. Calculation of business interruption losses

Following an interruption to **your** business activities covered under **INSURING CLAUSE 3**, **you** must provide **us** with **your** calculation of the loss including:

- a. how the loss has been calculated and what assumptions have been made; and
- b. supporting documents including account statements, sales projections and invoices.

4. Cancellation

This Policy may be cancelled by **you** by giving **us** advance written notice stating the **effective date** of the cancellation. If **you** give **us** notice of cancellation, the return **premium** will be in proportion to the number of days that the Policy is in effect.



We reserve the right of cancellation in the event that any amount due to **us** by **you** remains unpaid more than 30 days beyond the **effective date**. If **we** exercise this right of cancellation, **we** will send **you** written notice to **your** last mailing address shown in the Policy. **We** will also send written notice to **your** authorized insurance agent or broker.

The written notice will include the specific reason for cancellation, amount of premium due, and date the Policy will terminate. The cancellation will take effect from 15 days after the date the written notice of cancellation is issued.

5. **Extended reporting period**

In respect of **INSURING CLAUSES 5** and **6** only, an extended reporting period of 60 days (90 days if **you** are a public entity) following the **expiration date** will be automatically granted at no additional premium.

This extended reporting period will cover, subject to all other terms, conditions and exclusions of this Policy, any **claim** first made against **you** during this extended reporting period, provided that the **claim** arises out of any act, error or omission committed prior to the **expiration date**.

If any similar insurance is in force during this extended reporting period, coverage provided by this extended reporting period will be excess over the other insurance. The applicable **insured limit** and **policy limit** available to **you** during this extended reporting period will be equal to the amount of coverage remaining in the applicable **insured limit** and **policy limit** of the expiring Policy.

6. **Optional extended reporting period**

In respect of **INSURING CLAUSES 5** and **6** only, if **we** or **you** decline to renew or cancel this Policy then **you** will have the right to be issued with an endorsement providing an optional extended reporting period for the duration stated in the Declarations page which will be effective from the termination of the automatic extended reporting period.

This optional extended reporting period will cover, subject to all other terms, conditions and exclusions of this Policy any **claim** first made against **you** and reported to **us** during this optional extended reporting period, provided that the **claim** arises out of any act, error or omission committed prior to the date of cancellation or non-renewal.

If **you** would like to purchase the optional extended reporting period, **you** must notify **us** and pay **us** the optional extended reporting period premium stated in the Declarations page within 60 days of cancellation or non-renewal.

The right to the optional extended reporting period will not be available to **you** where cancellation or non-renewal by **us** is due to non-payment of the **premium** or **your** failure to pay any amounts in excess of the applicable **insured limit** or within the amount of the applicable **deductible** as is required by this Policy in the payment of claims.



At the renewal of this Policy, **our** quotation of different **premium, deductible**, limits of liability or changes in policy language will not constitute non-renewal by **us**.

7. **Fraudulent claims**

If it is determined by final adjudication, arbitral tribunal or written admission by **you**, that **you** notified **us** of any claim knowing it to be false or fraudulent, **we** will have no responsibility to pay that claim and **we** may recover from **you** any sums paid in respect of that claim. However, this will not affect any non-fraudulent claim under this Policy which has been previously notified to **us**.

8. **Mergers and acquisitions**

If **you** acquire an entity during the **period of the policy** whose annual revenue does not exceed 20% of the **company's** annual revenue, as stated in its most recent financial statements, cover is automatically extended under this Policy to include the acquired entity as a **subsidiary**.

If **you** acquire an entity during the **period of the policy** whose annual revenue exceeds 20% of the **company's** annual revenue, as stated in its most recent financial statements, cover is automatically extended under this Policy to include the acquired entity as a **subsidiary** for a period of 45 days.

We will consider providing cover for the acquired entity after the period of 45 days if:

- a. **you** give **us** full details of the entity within 45 days of its acquisition; and
- b. **you** accept any amendment to the terms and conditions of this Policy or agree to pay any additional **premium** required by **us**.

In the event **you** do not comply with a. or b. above, cover will automatically terminate for the entity 45 days after the date of its acquisition.

Cover for any acquired entity is only provided under this Policy for any act, error or omission committed on or after the date of its acquisition.

No cover will be automatically provided under this Policy for any acquired entity:

- a. whose business activities are materially different from **your** business activities;
- b. that has been the subject of any lawsuit, disciplinary action or regulatory investigation in the 3 year period prior to its acquisition; or
- c. that has experienced a **cyber event** in the 3 year period prior to its acquisition, if the **cyber event** cost more than the highest **deductible** of this Policy.

If during the **period of the policy** **you** consolidate, merge with or are acquired by another entity then all coverage under this Policy will terminate at the date of the consolidation, merger or acquisition unless **we** have issued an endorsement extending coverage, and **you** have agreed to any additional **premium** and terms of coverage required by **us**.



9. **Non-renewal**

If **we** decline to renew this Policy, **we** will send **you** written notice by registered mail to **your** last mailing address known to **us** at least 60 days before the expiration date stated in the Declarations page. This written notice will include the reason for non-renewal and proof of mailing will be deemed sufficient proof of notice.

10. **Our rights of recovery**

You must maintain all of **your** rights of recovery against any **third party** and make these available to **us** where possible.

We will not exercise any rights of recovery against any **employee**, unless this is in respect of any fraudulent or dishonest acts or omissions as proven by final adjudication, arbitral tribunal or written admission by the **employee**.

Any recoveries will be applied in proportion to the amounts paid by **you** and **us**.

11. **Prior subsidiaries**

Should an entity cease to be a **subsidiary** after the **effective date**, cover in respect of the entity will continue as if it was still a **subsidiary** during the **period of the policy**, but only in respect of an act, error, omission or event occurring prior to the date that it ceased to be a **subsidiary**.

12. **Process for paying privacy breach notification costs**

Any **privacy breach** notification transmitted by **you** or on **your** behalf must be done with **our** prior written consent. **We** will ensure that notification is compliant with any legal or regulatory requirements and contractual obligations. No offer must be made for financial incentives, gifts, coupons, credits or services unless with **our** prior written consent which will only be provided if the offer is commensurate with the risk of harm.

We will not be liable for any portion of the costs **you** incur under **INSURING CLAUSE 1 (SECTION E only)** that exceed the costs that **you** would have incurred had **you** gained **our** prior written consent. In the absence of **our** prior written consent **we** will only be liable to pay **you** the equivalent cost of a notification made using the most cost effective means permissible under the governing law.

13. **Supply chain interruption events**

In respect of **INSURING CLAUSE 3 (SECTION C only)**, it is a condition precedent to liability under this Policy that **you** submit to **us** a written report from the **supply chain partner** confirming the root cause and length of the outage.

14. **Verification of fund transfers**

In respect of **INSURING CLAUSE 2**:

- a. **you** must have in place a **funds transfer policy**;



- b. every **employee** that is authorized to perform or instruct funds transfers on behalf of the **company** must receive suitable training on the **funds transfer policy** within 60 days of the **effective date** and every subsequent 6 months; and
- c. **you** must keep a record of the date each **employee** completes the training stated in b. above and provide this record to **us** on **our** request.

15. **Choice of law**

In the event of a dispute between **you** and **us** regarding this Policy, the dispute will be governed by the laws of the State of the United States of America that the company named as the Insured in the Declarations page is domiciled. **We** agree, at **your** request, to submit to the jurisdiction of a court of competent jurisdiction within the United States of America.

Nothing in this Condition constitutes or should be understood to constitute a waiver of **our** rights to commence an action in any court of competent jurisdiction in the United States of America, to move an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States of America or the laws of any State of the United States of America.

MERCHANT SERVICES LIABILITY AMENDATORY ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that **INSURING CLAUSE 4 (SECTION E only)** is deleted in its entirety and replaced with the following:

SECTION E: MERCHANT SERVICES LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay **your** acquiring bank or payment processor, including PCI fines and penalties, card brand assessments, fraud recoveries, operational reimbursements, non-cooperation costs and case management fees, as a direct result of a **payment card breach** first discovered by **you** during the **period of the policy**:

We will also pay **costs and expenses** on **your** behalf.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

OPTIONAL EXTENDED DISCOVERY PERIOD CONDITION ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following **CONDITION** is added to this Policy:

OPTIONAL EXTENDED DISCOVERY PERIOD

In respect of **INSURING CLAUSES 1, 2, 3** and **4** only, if **we** or **you** decline to renew or cancel this Policy then **you** will have the right to be issued with an endorsement providing an extended discovery period, which will be effective from the cancellation or non-renewal date, for the duration stated below:

- a. 12 months for 100% of applicable annualized premium;
- b. 24 months for 150% of applicable annualized premium; or
- c. 36 months for 200% of applicable annualized premium.

This extended discovery period will cover, subject to all other terms, conditions and exclusions of this Policy, any **cyber event** or **loss** first discovered by **you** and reported to **us** during this extended discovery period, provided that the **cyber event** or **loss** occurred during the **period of the policy**.

If **you** would like to purchase the extended discovery period, **you** must notify **us** before the cancellation or non-renewal date and pay **us** the applicable premium within 30 days of the cancellation or non-renewal.

The right to the extended discovery period will not be available to **you** where cancellation or non-renewal by **us** is due to non-payment of the **premium** or **your** failure to pay any amounts in excess of the applicable **insured limit** or within the amount of the applicable **deductible** as is required by this Policy in the payment of claims.

At the renewal of this Policy, **our** quotation of different **premium**, **deductible**, limits of liability or changes in policy language will not constitute non-renewal by **us**.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

OPTIONAL EXTENDED DISCOVERY PERIOD WITH SYSTEM FAILURE CONDITION ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following **CONDITION** is added to this Policy:

OPTIONAL EXTENDED DISCOVERY PERIOD

In respect of **INSURING CLAUSES 1, 2, 3** and **4** only, if **we** or **you** decline to renew or cancel this Policy then **you** will have the right to be issued with an endorsement providing an extended discovery period, which will be effective from the cancellation or non-renewal date, for the duration stated below:

- a. 12 months for 100% of applicable annualized premium;
- b. 24 months for 150% of applicable annualized premium; or
- c. 36 months for 200% of applicable annualized premium.

This extended discovery period will cover, subject to all other terms, conditions and exclusions of this Policy, any **cyber event, loss** or **system failure** first discovered by **you** and reported to **us** during this extended discovery period, provided that the **cyber event, loss** or **system failure** occurred during the **period of the policy**.

If **you** would like to purchase the extended discovery period, **you** must notify **us** before the cancellation or non-renewal date and pay **us** the applicable premium within 30 days of the cancellation or non-renewal.

The right to the extended discovery period will not be available to **you** where cancellation or non-renewal by **us** is due to non-payment of the **premium** or **your** failure to pay any amounts in excess of the applicable **insured limit** or within the amount of the applicable **deductible** as is required by this Policy in the payment of claims.

At the renewal of this Policy, **our** quotation of different **premium, deductible**, limits of liability or changes in policy language will not constitute non-renewal by **us**.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

EXTENDED DISCOVERY PERIOD ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that in accordance with the "Optional extended discovery period" **CONDITION**, an extended discovery period has been requested by **you** and granted by **us**. This extended discovery period will commence on { } and will expire on { } and covers, subject to all other terms, conditions and exclusions of this Policy, any **cyber event** or **loss** first discovered by **you** and reported to **us** during this extended discovery period, provided that the **cyber event** or **loss** occurred during the **period of the policy**.

It is also understood and agreed that the purchase of this optional extended discovery period does not increase any **insured limit**.

ADDITIONAL PREMIUM

USD{ }

PREMIUM PAYMENT TERMS

You undertake that the additional **premium** will be paid in full to **us** within 30 days of the effective date of the cancellation or non-renewal of this Policy. The additional **premium** will be deemed fully earned and **we** will not be liable to return any of the additional **premium** if **you** terminate the extended discovery period for any reason prior to its natural expiration.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

EXTENDED DISCOVERY PERIOD WITH SYSTEM FAILURE ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that in accordance with the "Optional extended discovery period" **CONDITION**, an extended discovery period has been requested by **you** and granted by **us**. This extended discovery period will commence on { } and will expire on { } and covers, subject to all other terms, conditions and exclusions of this Policy, any **cyber event, loss** or **system failure** first discovered by **you** and reported to **us** during this extended discovery period, provided that the **cyber event, loss** or **system failure** occurred during the **period of the policy**.

It is also understood and agreed that the purchase of this optional extended discovery period does not increase any **insured limit**.

ADDITIONAL PREMIUM

USD{ }

PREMIUM PAYMENT TERMS

You undertake that the additional **premium** will be paid in full to **us** within 30 days of the effective date of the cancellation or non-renewal of this Policy. The additional **premium** will be deemed fully earned and **we** will not be liable to return any of the additional **premium** if **you** terminate the extended discovery period for any reason prior to its natural expiration.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

ADDITIONAL INSURED'S CONDITION ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following **CONDITION** is added to this Policy:

Additional insureds

We will indemnify any **third party** as an additional insured under this Policy, but only in respect of sums which they become legally obliged to pay (including liability for claimants' costs and expenses) as a result of a **claim** arising solely out of an act, error or omission committed by **you**, provided that:

- a. **you** contracted in writing to indemnify the **third party** for the **claim** prior to it first being made against them; and
- b. had the **claim** been made against **you**, then **you** would be entitled to indemnity under this Policy.

Before **we** indemnify any additional insured they must:

- a. prove to **us** that the **claim** arose solely out of an act, error or omission committed by **you**; and
- b. fully comply with **CONDITION 1** as if they were **you**.

Where a **third party** is treated as an additional insured as a result of this Condition, any **claim** made by that **third party** against **you** will be treated by **us** as if they were a **third party** and not as an insured.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

ADDRESS CHANGE ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the "ADDRESS" stated in the Declarations page is deleted in its entirety and replaced with the following:

ADDRESS: { }

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

CANCELLATION ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that in accordance with the "Cancellation"
CONDITION, you have provided **us** with notice of cancellation and this
Policy is cancelled effective from 12:01 A.M. Local Standard Time on
{ }.

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE
POLICY**

CLAIM DEFINITION AMENDATORY ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the “**Claim**” **DEFINITION** is deleted in its entirety and replaced with the following:

“**Claim**” means:

- a. a written demand for compensation;
- b. a written request for a retraction or a correction;
- c. a threat or initiation of a lawsuit; or
- d. a disciplinary action or **regulatory investigation**.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

COMPANY DEFINITION AMENDATORY ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the **"Company" DEFINITION** is deleted in its entirety and replaced with the following:

"Company" means

the company named as the Insured in the Declarations page.

No cover is provided under this Policy for any **subsidiary**.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY



COMPANY HAS BEEN ACQUIRED ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

In accordance with the "Mergers and acquisitions" **CONDITION**, it is understood and agreed by **us** that the **company** has been acquired by { } and coverage under this Policy will continue until the **expiration date**.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

CONTINUOUS COVER CONDITION ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following **CONDITION** is added to this Policy:

Continuous cover

If **you** have neglected, through error or oversight only, to report an incident discovered by **you** that might give rise to a **claim** under this Policy during the period of a previous renewal of this Policy issued to **you** by **us**, then provided that **you** have maintained uninterrupted insurance of the same type with **us** since the expiry of that earlier Policy, **we** will permit the matter to be reported under this Policy and **we** will indemnify **you**, provided that:

- a. the indemnity will be subject to the applicable limit of liability of the earlier Policy under which the matter should have been reported or the **insured limit**, whichever is the lower;
- b. **we** may reduce the indemnity entitlement by the monetary equivalent of any prejudice which has been suffered as a result of the delayed notification; and
- c. the indemnity will be subject to all of the terms, Conditions, Definitions and Exclusions of this Policy, other than a. above.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY



CRIMINAL, MALICIOUS OR DISHONEST ACTS OF SENIOR EXECUTIVE OFFICERS EXCLUSION DELETION ENDORSEMENT

ATTACHING TO POLICY
NUMBER: { }
THE INSURED: { }
WITH EFFECT FROM: { }

It is understood and agreed that the "Criminal, malicious or dishonest acts of senior executive officers" **EXCLUSION** is deleted in its entirety.

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE
POLICY**



EDUCATIONAL ORGANIZATION SPECIAL AMENDATORY ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following amendments are made to this Policy:

1. The “**Company**” **DEFINITION** is deleted in its entirety and replaced with the following:

“**Company**” means

the educational organization named as the Insured in the Declarations page or any **subsidiary**.

2. The “**Senior executive officer**” **DEFINITION** is deleted in its entirety and replaced with the following:

“**Senior executive officer**” means

board members, trustees, C-level executives, in-house lawyers and risk managers of the **company**.

3. The “**Subsidiary**” **DEFINITION** is deleted in its entirety and replaced with the following:

“**Subsidiary**” means

any entity, student body or parent teacher organization which the **company** has majority ownership or control of, meaning more than 50% ownership or control, on or before the **effective date**.

4. The “**Employee**” **DEFINITION** is deleted in its entirety and replaced with the following:

“**Employee**” means

any employee, volunteer, contract employee, teacher, student teacher, student intern, teaching assistant or any member of any committee, of the **company**.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY



EXTENDED REPORTING PERIOD ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that in accordance with the "Optional extended reporting period" **CONDITION**, an extended reporting period has been requested by **you** and granted by **us**. This extended reporting period will commence on { } and will expire on { } and covers, subject to all other terms, conditions and exclusions of this Policy, any **claim** first made against **you** and reported to **us** during this extended reporting period, provided that the **claim** arises out of any act, error or omission committed prior to the date of cancellation or non-renewal.

It is also understood and agreed that the purchase of this optional extended reporting period does not increase any **insured limit**.

ADDITIONAL PREMIUM

{ }

PREMIUM PAYMENT TERMS

You undertake that the additional **premium** will be paid in full to **us** within 60 days of the effective date of the cancellation or non-renewal of this Policy. The additional **premium** will be deemed fully earned and **we** will not be liable to return any of the additional **premium** if **you** terminate the extended reporting period for any reason prior to its natural expiration.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

INNOCENT NON-DISCLOSURE CONDITION ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following **CONDITION** is added to this Policy:

Innocent non-disclosure

We will not seek to avoid this Policy or reject any claim on the grounds of non-disclosure or misrepresentation except where the non-disclosure or misrepresentation was reckless or deliberate.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

KNOWN MATTERS EXCLUSION ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following **EXCLUSION** is added to this Policy:

Known matters

arising directly or indirectly out of the following matters disclosed to **us**:

{ }

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

NAME CHANGE ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that "THE INSURED" stated in the Declarations page is deleted in its entirety and replaced with the following:

THE INSURED: { }

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY



NAMED INSURED ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following entities are added to "THE INSURED" in the Declarations page:

{ }

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY



NEWLY ACQUIRED ENTITY ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that in accordance with the "Mergers and acquisitions" **CONDITION**, the **company** has acquired { } and **we** agree that coverage under this Policy for { } will continue until the **expiration date**.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

OTHER INSURANCE EXCLUSION DELETION ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the "Other insurance" **EXCLUSION** is deleted in its entirety.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

POLLUTION EXCLUSION DELETION ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the "Pollution" **EXCLUSION** is deleted in its entirety.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

PROPERTY PERILS EXCLUSION DELETION ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the "Property perils" **EXCLUSION** is deleted in its entirety.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY



SCHEDULE OF INFORMATION

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

The information stated below has been provided to **us** as part of **your** application for this Policy. It is important that this information is correct as **we** may seek to avoid this Policy or reject a claim in the event of any reckless or deliberate non-disclosure or misrepresentation.

If any of the information below is incorrect, please contact **us** as soon as is reasonably practicable.

{ }

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

SUBSIDIARY DEFINITION AMENDATORY ENDORSEMENT

ATTACHING TO POLICY
NUMBER:

{ }

THE INSURED:

{ }

WITH EFFECT FROM:

{ }

It is understood and agreed that the **"Subsidiary" DEFINITION** is deleted in its entirety and replaced with the following:

"Subsidiary" means:

{ }

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE
POLICY**



THE INSURED AMENDATORY ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following company is deleted from
"THE INSURED" stated in the Declarations page:

{ }

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE
POLICY**

TRANSFER OF THIRD PARTY FUNDS EXCLUSION ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following **EXCLUSION** is added to this Policy:

Transfer of third party funds

arising directly out of any authorized or unauthorized electronic transfer of funds or financial assets, including where this results in any outstanding debt.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

UNLAWFUL COLLECTION OF DATA EXCLUSION DELETION ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the "Unlawful collection of data"
EXCLUSION is deleted in its entirety.

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE
POLICY**

VERIFICATION OF FUND TRANSFERS CONDITION DELETION ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the "Verification of fund transfers" **CONDITION** and "Funds transfer policy" **DEFINITION** are deleted in their entirety.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY



POLICY JACKET

STATE NATIONAL INSURANCE COMPANY, INC.

(A Stock Company)
1900 L. Don Dodson Drive
Bedford, TX 76021

This Policy is issued by CFC USA, Inc. in accordance with the authorization granted by the Insurer under the General Authority Agreement by the Insurer stated above. This Policy comprises a Policy Jacket, the Declarations page, Wording and all other provisions and conditions attached and any endorsements issued.

Please examine this document carefully. If it does not meet your needs, please contact your broker immediately. In all communications the policy number appearing overleaf should be quoted.

In Witness whereof this Certificate has been signed by:

{ }

Secretary

{ }

President

THIS INSURANCE APPLIES TO CLAIMS EITHER FIRST DISCOVERED OR MADE DURING THE PERIOD OF THE POLICY OR APPLICABLE EXTENDED REPORTING PERIOD. LEGAL DEFENSE COSTS AND EXPENSES MAY REDUCE OR EXHAUST THE INSURED LIMIT.



DECLARATIONS

POLICY NUMBER: { }

THE INSURED: { }

ADDRESS: { }

EFFECTIVE DATE: 12:01 A.M. Local Standard Time on { }

EXPIRATION DATE: 12:01 A.M. Local Standard Time on { }

TOTAL PAYABLE: { }

Broken down as follows:

 Premium: { }

 Policy Administration Fee: USD0.00

 TRIA Premium: USD0.00

BUSINESS ACTIVITIES: { }

LEGAL ACTION: Worldwide

TERRITORIAL SCOPE: Worldwide

INDEMNITY PERIOD: { }

WAITING PERIOD: { }

RETROACTIVE DATE: Unlimited

OPTIONAL EXTENDED REPORTING PERIOD: 12 months for 100%, 24 months for 150%, or 36 months for 200%, of applicable annualized premium

APPROVED CLAIMS PANEL PROVIDERS: { }

CYBER INCIDENT MANAGER: CFC Response

CYBER INCIDENT RESPONSE LINE: In the event of an actual or suspected cyber incident please call our Cyber Incident Response Team on the toll free 24-hour hotline number: { } or email { }

THE INSURER: State National Insurance Company, Inc.

WORDING: { }

ENDORSEMENTS: { }

DECLARATIONS

ALL INSURING CLAUSES COMBINED

Aggregate limit of liability: { } in the aggregate

INSURING CLAUSE 1: CYBER INCIDENT RESPONSE

SECTION A: INCIDENT RESPONSE COSTS

Aggregate limit of liability: { } in the aggregate

Deductible: { } each and every claim

SECTION B: LEGAL AND REGULATORY COSTS

Aggregate limit of liability: { } in the aggregate

Deductible: { } each and every claim

SECTION C: IT SECURITY AND FORENSIC COSTS

Aggregate limit of liability: { } in the aggregate

Deductible: { } each and every claim

SECTION D: CRISIS COMMUNICATION COSTS

Aggregate limit of liability: { } in the aggregate

Deductible: { } each and every claim

SECTION E: PRIVACY BREACH MANAGEMENT COSTS

Aggregate limit of liability: { } in the aggregate

Deductible: { } each and every claim

SECTION F: THIRD PARTY PRIVACY BREACH MANAGEMENT COSTS

Aggregate limit of liability: { } in the aggregate

Deductible: { } each and every claim

SECTION G: POST BREACH REMEDIATION COSTS

Aggregate limit of liability: { } in the aggregate, subject to a maximum of 10% of all sums **we** have paid as a direct result of the **cyber event**

Deductible: { } each and every claim

INSURING CLAUSE 2: CYBER CRIME

SECTION A: ELECTRONIC THEFT OF YOUR FINANCIAL ASSETS

Aggregate limit of liability: { } in the aggregate

Deductible: { } each and every claim



SECTION B: ELECTRONIC THEFT OF THIRD PARTY FUNDS HELD IN ESCROW

Aggregate limit of liability: { } in the aggregate
Deductible: { } each and every claim

SECTION C: ELECTRONIC THEFT OF PERSONAL FINANCIAL ASSETS

Aggregate limit of liability: { } in the aggregate
Deductible: { } each and every claim

SECTION D: EXTORTION

Aggregate limit of liability: { } in the aggregate
Deductible: { } each and every claim

SECTION E: AUTHORIZED PUSH PAYMENT FRAUD

Aggregate limit of liability: { } in the aggregate
Deductible: { } each and every claim

SECTION F: TELEPHONE HACKING

Aggregate limit of liability: { } in the aggregate
Deductible: { } each and every claim

SECTION G: UNAUTHORIZED USE OF COMPUTER RESOURCES

Aggregate limit of liability: { } in the aggregate
Deductible: { } each and every claim

INSURING CLAUSE 3: SYSTEM DAMAGE AND BUSINESS INTERRUPTION

SECTION A: SYSTEM DAMAGE AND RECTIFICATION COSTS

Aggregate limit of liability: { } in the aggregate
Deductible: { } each and every claim

SECTION B: INCOME LOSS AND EXTRA EXPENSE

Aggregate limit of liability: { } in the aggregate
Deductible: { } each and every claim

SECTION C: DEPENDENT BUSINESS INTERRUPTION

Aggregate limit of liability: { } in the aggregate
Deductible: { } each and every claim

SECTION D: CLAIM PREPARATION COSTS

Aggregate limit of liability: { } in the aggregate
Deductible: { } each and every claim



INSURING CLAUSE 4: NETWORK SECURITY & PRIVACY LIABILITY

SECTION A: NETWORK SECURITY LIABILITY

Aggregate limit of liability: { } in the aggregate, including **costs and expenses**

Deductible: { } including **costs and expenses**

SECTION B: PRIVACY LIABILITY

Aggregate limit of liability: { } in the aggregate, including **costs and expenses**

Deductible: { } including **costs and expenses**

SECTION C: MANAGEMENT LIABILITY

Aggregate limit of liability: { } in the aggregate, including **costs and expenses**

Deductible: { } including **costs and expenses**

SECTION D: REGULATORY INVESTIGATION COSTS

Aggregate limit of liability: { } in the aggregate, including **costs and expenses**

Deductible: { } including **costs and expenses**

SECTION E: MERCHANT SERVICES LIABILITY

Aggregate limit of liability: { } in the aggregate, including **costs and expenses**

Deductible: { } including **costs and expenses**

INSURING CLAUSE 5: MEDIA LIABILITY

SECTION A: DEFAMATION

Aggregate limit of liability: { } in the aggregate, including **costs and expenses**

Deductible: { } including **costs and expenses**

SECTION B: INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT

Aggregate limit of liability: { } in the aggregate, including **costs and expenses**

Deductible: { } including **costs and expenses**

INSURING CLAUSE 6: TECHNOLOGY ERRORS AND OMISSIONS

Aggregate limit of liability: { } in the aggregate, including **costs and expenses**

Deductible: { } including **costs and expenses**



{ }

Named Insured: { }
Policy Number: { }
Policy effective date: { }

Dear Sir/Madam,

RE: Notice of cancellation

We are writing to inform you that an amount of { } due to us by you remains unpaid more than { } days beyond the effective date. In accordance with the cancellation condition of the policy, this policy will be cancelled and all coverage will cease on { } unless all amounts due to us by you are paid in full prior to this date.

Kind regards,

{ }

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(l) of the Act: The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers’ liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism is USD{ } and does not include any charges for the portion of losses covered by the United States government under the Act.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY



CRIMINAL, MALICIOUS OR DISHONEST ACTS OF SENIOR EXECUTIVE OFFICERS EXCLUSION AMENDATORY ENDORSEMENT

ATTACHING TO
POLICY NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the "Criminal, malicious or dishonest acts of senior executive officers" **EXCLUSION** is deleted in its entirety and replaced with the following:

Criminal, malicious or dishonest acts of senior executive officers

arising directly or indirectly out of any criminal, malicious or dishonest act, error or omission by a **senior executive officer** as determined by final adjudication, arbitral tribunal or written admission.

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE
POLICY**



MID TERM ENDORSEMENT DELETION

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the { } ENDORSEMENT is deleted in its entirety.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY



APPLICATION WARRANTY ENDORSEMENT

ATTACHING TO POLICY

NUMBER: { }

THE INSURED: { }

WITH EFFECT FROM: { }

It is understood and agreed that the following **CONDITION** is added to this Policy:

Application warranty

You agree that all statements made by **you** in the application form, including any renewal application form, and any supplemental materials **you** have supplied in support of the application for insurance, are **your** agreements and representations to **us** and the Policy is issued in reliance upon that information. The misrepresentation or non-disclosure of any matter by **you** or **your** agent will render this Policy null and void and relieve us from all liability under this Policy.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY



DISTRICT OF COLUMBIA AMENDATORY ENDORSEMENT

ATTACHING TO POLICY
NUMBER: { }
THE INSURED: { }
WITH EFFECT FROM: { }

It is understood and agreed that the "Cancellation" **CONDITION** is deleted in its entirety and replaced with the following:

Cancellation

This Policy may be canceled with 30 days written notice provided by **you**. If **you** give **us** notice of cancellation, the return **premium** will be in proportion to the number of days that the Policy is in effect.

We reserve the right of cancellation in the event that any amount due to **us** by **you** remains unpaid more than 30 days beyond the **effective date**. If **we** exercise this right of cancellation, **we** will send **you** written notice by registered mail to **your** last mailing address known to **us**. This written notice will include the reason for cancellation and proof of mailing will be deemed sufficient proof of notice. The cancellation will take effect from 30 days after the date the written notice of cancellation is issued.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

| | | | |
|-----------------------------|---|------------------------|--|
| State: | District of Columbia | Filing Company: | State National Insurance Company, Inc. |
| TOI/Sub-TOI: | 17.0 Other Liability-Occ/Claims Made/17.0024 Internet Liability | | |
| Product Name: | CFC - Cyber Private Enterprise Program | | |
| Project Name/Number: | CFC - Cyber Private Enterprise Program/CFC-DC-19001-FO | | |

Supporting Document Schedules

| | |
|-------------------------|---------------------------|
| Bypassed - Item: | Readability Certificate |
| Bypass Reason: | This is not a PPA filing. |
| Attachment(s): | |
| Item Status: | |
| Status Date: | |

| | |
|--------------------------|---|
| Satisfied - Item: | Consulting Authorization |
| Comments: | A third party authorization letter is attached. |
| Attachment(s): | FAL SNIC CFC DC GL 11-13-19-F.pdf |
| Item Status: | |
| Status Date: | |

| | |
|-------------------------|-------------------------|
| Bypassed - Item: | Copy of Trust Agreement |
| Bypass Reason: | N/A |
| Attachment(s): | |
| Item Status: | |
| Status Date: | |

| | |
|-------------------------|---|
| Bypassed - Item: | Expedited SERFF Filing Transmittal Form |
| Bypass Reason: | N/A |
| Attachment(s): | |
| Item Status: | |
| Status Date: | |

| | |
|--------------------------|--|
| Satisfied - Item: | Explanatory Memorandum |
| Comments: | An explanatory memorandum is attached. |
| Attachment(s): | CFC CYBER Explanatory Memorandum.pdf |
| Item Status: | |
| Status Date: | |



November 13, 2019

Office of the Commissioner
Government of the District of Columbia
Department of Insurance, Securities and Banking
Property and Casualty
810 First Street, NE, #701
Washington, DC 20002

**Re: Letter of Filing Authorization
State National Insurance Company, Inc.
NAIC # 0785-12831; FEIN # 75-1980552
General Liability
Form Filing**

Dear Ladies/Gentlemen:

This letter will certify that Martin & Company has been given full authorization to submit the captioned filing on behalf of State National Insurance Company, Inc. This authorization extends to all correspondence related to the referenced filing only. It does not apply to any subsequent filings made after the approval of the referenced filing.

Please direct all correspondence in relation to this filing directly to Linda Rothwell, Martin & Company, P.O. Box 70, Edgemont, PA 19028. Should you have any questions concerning this filing, please contact Linda at (856) 975-6135 or by email at LRothwell@martincompanyus.com. Should you need to contact an insurance company representative concerning this filing, please contact the filing department at State National Companies, 1900 L. Don Dodson Drive, Bedford, Texas 76021 via email at Filings@StateNational.com.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in blue ink that reads "David Cleff".

David M. Cleff
Executive Vice President

Cc: File (CFC USA Ins.)

State National Companies

PO Box 24622
Fort Worth, Texas 76124

phone 817.265.2000
toll-free 800.877.4567

statenational.com

STATE NATIONAL INSURANCE COMPANY
CFC CYBER PRIVATE ENTERPRISE PROGRAM
EXPLANATORY MEMORANDUM

State National Insurance Company is pleased to introduce its exclusive CFC Cyber Private Enterprise program and has authorized Martin and Company to submit this filing on the Company's behalf.

The purpose of the Cyber Private Enterprise program is to provide small and medium enterprises with primary first party and third-party cyber insurance coverage. This coverage will be provided under the following insuring clauses:

Cyber Incident Response

Cyber Crime

System Damage and Business Interruption

Network Security and Privacy Liability

Media Liability

Technology Errors and Omissions

This new program is intended to provide a range of insurance coverage for first party income and business interruption losses suffered as a result of a cyber event such as cyber crime, data breaches, and system failures. It will also provide coverage for defense costs and indemnity costs suffered as a result of a cyber event.

Included in these insuring clauses are specialized coverage sections that are specifically designed for small and medium companies. These include IT Security and Forensic Costs, Crisis Communication Costs, Post Breach Remediation Costs, Electronic Theft of Your Financial Assets, Electronic Theft of Third-Party Funds Held in Escrow, Extortion, Authorized Push Payment Fraud, System Damage and Rectification Costs, Income Loss and Extra Expense, and Dependent Business Interruption.

It is designed for a broad spectrum of small and medium companies, including those operating in the professional services, healthcare, financial services, education, and manufacturing industries.

The company is submitting their initial rates, rules and forms for this program. The data model and platform were developed specifically for this program.

Please be advised the forms are system-generated and may be formatted differently due to system constraints. The content, however, will remain the same. Therefore, the forms will not be re-filed unless otherwise requested by your Department in response to this filing.